

SENATE—Friday, July 29, 1988

The Senate met at 9 a.m., and was called to order by the Honorable TERRY SANFORD, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

**** For there is no power but of God: the powers that be are ordained of God.—Romans 13:1. For promotion cometh neither from the east, nor from the west, nor from the south. But God is the judge: He putteth down one, and setteth up another.—Psalm 75:6, 7.*

God of our fathers, Lord of history and Ruler of the nations, sensitize leadership to its accountability to Thee as well as to the people—their families and themselves. Encourage them in their commitment to truth and justice. Imbue them with a healthy flash point against sin. Strengthen their determination to fulfill their finest expectations. Inspire them with the will to persevere in the right.

In Jesus' name, whose purity of life prevailed despite every obstacle and antagonist. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 29, 1988.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TERRY SANFORD, a Senator from the State of North Carolina, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. SANFORD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADERS' TIME

Mr. BYRD. Mr. President, I ask unanimous consent that the time of both leaders be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of morning business not to extend beyond the hour of 9:30 with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Wisconsin.

IMPLICATIONS OF 10 TOP BANKS ALL JAPANESE—UNITED STATES OUT OF TOP 25

Mr. PROXMIRE. Is America becoming a second rate financial power? A few years ago most of the world's biggest banks were American. Today all 10 of the 10 biggest banks in the world are Japanese. The latest shocker is that the biggest American bank ranks only 28th in size in the world. Does this signal an American economic decline? Absolutely not. In banking size does not mean efficiency. Size does not mean profitability. Size does not mean advantage in international finance. Size simply means that one banking unit has more deposits. It has more branches controlled by a central management. The management of the biggest bank can make more loans, buy more securities. But does a huge Japanese bank provide more safety and security to its depositors than a smaller—even a much smaller United States bank? No. The overwhelming majority of depositors in U.S. banks are insured. Since the advent of deposit insurance more than 50 years ago virtually no depositors in American banks have lost a nickel. Congress has pledged the full faith and credit of the U.S. Government behind federally insured deposits.

Do smaller American banks provide for the credit needs of American households and American business as fully and efficiently as the huge Japanese banks? There is every reason to believe that American banks provide far better for the needs of American business and households than the mega banks of Japan and other coun-

tries. Here is why: The United States is the only country in the world that has literally thousands of independently owned and competing banks providing credit in communities throughout the Nation. Japan has something like 140 banks. We have 14,000, literally 100 times as many. In Japan as in most other countries the 10 largest banks do far-and-away most of the nation's banking business. In the United States the top 10 banks do less than 30 percent of the country's banking business. In fact, it is exactly because of the presence of community banks throughout our country that small business has thrived so remarkably in America compared to other countries. Think of it. In this decade—the 1980's American business firms that employ more than 500 persons have actually declined in the number of persons they employ. All of the gain of 10 million American jobs in this period has been in businesses that employ less than 500 persons! The great majority of these small businesses rely on the smaller banks—often neighborhood banks for their financing. Indeed, more than half of the new jobs in America in this decade have come from firms that employ fewer than 50 persons. Recent studies show that small, independent banks make more than 90 percent of their business loans to small business. Our biggest money center banks make less than 10 percent of their business loans to small business. Anyone who has ever operated a successful small business will tell you that the personal interest taken by relatively small locally owned community banks has been crucial in small business success. It is not only the credit made available by the independent banks. It is the advice by experienced local bankers on such critical matters as investment in plant and facilities, the installation of cost accounting systems, setting prices and the reduction of operating cost. The quality of these decisions has made a real difference in the competitiveness and productivity of American business. Locally owned, independent banks take a far stronger and more persistent interest in local business and have a much stronger commitment to the local community.

Now why have the Japanese and other banks in the world grown so much more rapidly and why are they now bigger—much bigger than our biggest banks? One answer, as I have said, is that the United States has literally 100 times as many banks as Japan. Our gross national product is only about two and one half times bigger

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

than the Japanese. Simple arithmetic would suggest that the Japanese banks would be on the average about 40 times bigger than the American banks. But in addition the Japanese savings rate is roughly five times bigger in relation to earnings than the American savings rate. Earnings of the Japanese are today roughly comparable with American per capita earnings. So with far fewer banks and far more in savings is it any wonder that the Japanese banks are bigger? Third, the Japanese stress deposit growth—in other words size—above all else. American bankers stress profitability. Result: the Japanese banks in 1986—the last comparable year—enjoyed a return of 0.2 percent on their assets. American banks profitability was approximately three times as high with a return of 0.58 percent on assets. Since profitability is the best indicator of efficiency, it follows that the smaller U.S. banks are more efficient than the bigger Japanese banks.

Roughly half of the gain in the size of the Japanese banks can be explained in terms of the drastic increase in the value of the yen compared to the dollar in the past couple of years. The remainder of the difference is the result of the much greater emphasis the Japanese place on size rather than profitability. The rate of growth of Japanese banks is unlikely to continue. As the American Banker observed on July 19:

With the fiscal year beginning this April, however, the top Japanese banks have formally dedicated themselves to improving profitability, each making an announcement to that effect. The shift is prompted in large measure by the upcoming capital guidelines, which will require banks to increase their capital levels to 8 percent of assets by 1992. Of that 8 percent, half must be comprised of shareholder's equity, retained earnings, and noncumulative perpetual preferred stock * * *. Analysts say the Japanese will have to ease asset growth and generate more earnings in order to meet the required ratios in 4 years * * *.

Old habits die hard. The Japanese will probably continue to lead the world in size, just as their sumo wrestlers with their huge, soft bellies and their massive coats of body fat lead the world in visible flab. But American banks will do well to continue to compete so they stay leaner and meaner rather than fatter and softer.

DROUGHT ASSISTANCE ACT

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the passage of S. 2631 be vitiated, that the Senate proceed to the consideration of H.R. 5015, that all after the enacting clause of H.R. 5015 be stricken, and the Senate bill, as amended, be inserted in lieu thereof, the bill be advanced to

third reading and put before the Senate for passage.

The bill was ordered to be engrossed for a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 5015), as amended, was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to.

Mr. BYRD. Mr. President, I withdraw that portion that requires the Chair to name the conferees. I will withdraw that part for now.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Republican leader.

MIDDLE EAST NO PLACE FOR "PRIVATE DIPLOMACY"

Mr. DOLE. Mr. President, every citizen of this country shares a deep concern over the fate of innocent Americans held hostage in Lebanon; and a gnawing frustration that we have so far been unable to effect their release. All of us agree that winning their release is a high national priority.

But, as we have already seen, there are right ways, and wrong ways, to go about it. Trading arms for hostages was the wrong way. It was a mistake; it should not have been done. We have learned that lesson.

Now, I hope, we can all take heed of this lesson, too: Now is not the time, and the Middle East is not the place, for free-lancing "private diplomacy."

Rev. Jesse Jackson has indicated his intention to try to engage in such "private diplomacy" to win the hostages' release. This is a free country, and Reverend Jackson has the right to travel where he wishes, and talk to whom he wishes.

But I really hope he will reconsider his decision to inject himself into the delicate situation that now exists in the Middle East and the Persian Gulf.

The region is in flux—critical flux. Even while the gulf war continues, we may be in sight of a breakthrough toward a ceasefire. If it happens, no one knows for certain what new opportunities or, for that matter, dangers that will bring. Lebanon remains in bloody turmoil, with many contending

factions, and several outside powers, fighting for control of small pieces of land, and grappling over the political future of that country.

Any false move now, no matter how well motivated, could endanger the lives of the hostages. Any ill-coordinated initiative now, no matter how well motivated, could disrupt contacts, or the prospect for contacts, which could really lead to the release of the hostages.

So I hope that, if we—Reverend Jackson, or any of us—if we err at all, it will be on the side of caution. If we act at all, it will be in a way that is fully coordinated with the policies and efforts being undertaken by our Government.

We owe that to the hostages.

I understand it has been reported that the Iranian Foreign Minister will not be meeting with Reverend Jackson on the basis this was not a hostage meeting; it was a meeting on a cease-fire.

DISTURBING NOISES FROM MANILA

Mr. DOLE. Mr. President, the July 27 Washington Post contains a very disturbing report from Manila on talks with the Philippine Government over the future of American military facilities at Clark and Subic Bay—facilities governed under a treaty that will expire in 1991.

Judging by the Post account, the Philippine Government is edging toward a dangerous game of brinkmanship and bluff in these delicate negotiations. It has unilaterally suspended the talks, because—according to the Philippine Foreign Minister—"our positions are so far apart that I don't know if we can resume."

Even more disturbing, some Philippine political figures seem to be engaged in a game of legislative blackmail, to squeeze more money out of Uncle Sam. The Philippine senate has already passed legislation to ban the storage of nuclear weapons on Philippine soil, and to prohibit port calls by nuclear-powered vessels, including submarines—provisions that are totally inconsistent with the policies under which we do, and must, operate at Clark and Subic.

Now, according to the Post story, the Speaker of the Philippine House of Representatives has threatened house passage of the same bill, unless the Philippines gets what he called favorable conditions in the current talks. In other words, we pay up; or we pack up.

Mr. President, no one in this country disputes that the Philippine Government has the sovereign right to do what it wants on its own territory—consistent, of course, with any binding obligations it has undertaken.

No one here should jump to any conclusions about the future of the talks, or overreact to spasms of bluff and bluster from the Philippine side. The talks inevitably will be subject to twists and turns.

Certainly, no one has any desire to inject any new complicating elements into the equation of these delicate negotiations. The Philippine side is doing more than enough, already, to make tough talks even tougher.

But, Mr. President, I hope the message goes out loud and clear to Manila; common sense, moderation in action and speech, dealing in good faith rather than posturing with bluff and bluster—all of those are requirements for both sides in any negotiation, not just one side.

While no one here has any desire or intention to do any one of the negative things just mentioned, let Manila know this: There are plenty of people here who know how to play hard ball, if that is what it takes.

We need bases in the Pacific, to meet our security commitments and keep America's western flank safe. But the Philippines needs those bases, too, just as every free nation in the Pacific needs them.

They are not some favor the Philippines does for us; they are vital installations, from which the United States carries out essential military operations, in defense of America, the Philippines itself, and the entire free world.

Mr. President, the Philippines is a free nation; it has a President, and a bicameral parliament, just as we do. President Aquino is free to act as she sees fit; and the members of the Philippine Parliament have that same right.

But so do we.

We value our friendship with the Philippines. We support President Aquino in her efforts to lead the Philippines into a more stable and prosperous future. We value the military facilities we have, and want to keep them.

But we will not be blackmailed. We will not be bullied and bluffed.

I hope that message is received and understood in the Philippines; and these critical negotiations can get back on track in a businesslike, mutually beneficial way.

Mr. President, I ask unanimous consent that the article from the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**TALKS ON PHILIPPINE BASES SUSPENDED AS
MANILA REJECTS LATEST U.S. OFFER**

(By Gregg Jones)

MANILA, July 26.—Citing serious differences with the United States on compensation for use of Clark Air Base and Subic Bay Naval Base, the Philippines today suspend-

ed talks on the final two years of a U.S. base lease for the two key bases.

Philippine Foreign Minister Raul Manglapus, emerging from a meeting with President Corazon Aquino today, gave a bleak assessment of the status of the talks, which by many accounts have reached a crucial juncture after four months of delicate negotiations.

"Right now, our positions are so far part that I don't know if we can resume," Manglapus said.

Asked about Aquino's reaction, Manglapus replied: "She understands this is part of the negotiations. I think she realizes that our position is a reasonable one, and we should stick by it."

U.S. embassy officials here played down the significance of the Philippine action, calling the move "a temporary break."

[The Associated Press reported that the State Department said it expects to resume negotiations and reach an accord on the bases.

"The talks have been temporarily broken off," said Charles Redman, a State Department spokesman. "We do expect them to resume again. . . . I don't know exactly when."

[Redman said "there have been any number of breaks" in the talks which began in April.]

An embassy official here also said she expects talks to resume shortly. "We don't consider the talks suspended," said embassy spokeswoman Mary Carlin Yates.

Aquino spokesman Teodoro Benigno also sounded a hopeful note saying "All Bases negotiations are like that. They have their ups and downs. . . . I don't think this is the end of the line."

U.S. officials have said their current offer of a compensation package worth about \$500 million annually for use of the bases is their latest and final one and that Manila will have to accept or reject it.

"The next 24 to 48 hours are critical," according to one source involved in the talks. "This is it."

Now Philippine officials reportedly feel that the American negotiators are reneging on commitments Shultz made during his visit, according to a source close to the talks.

The current negotiations are part of a regularly scheduled five-year review of the U.S. bases treaty. The discussions cover administrative and other details not specified in the treaty, including the level of American foreign aid linked to use of the bases.

The review, both sides agree, will determine the tenor of negotiations expected to begin next year on the future of the U.S. facilities, which are covered by a 41-year lease that expires in 1991.

The two key issues that have stalled discussion are compensation and nuclear weapons, according to sources close to the talks. Manila is pressing for flexibility in the rigid American policy of refusing to confirm or deny the presence of nuclear weapons at U.S. military bases. American negotiators have said there can be no compromise on the issue.

A provision in the Philippine constitution, ratified in 1987, provides for a ban on nuclear weapons in the country, "consistent with the national interest." The Philippine Senate last month passed a bill that would not only ban nuclear weapons from the U.S. bases but would also prohibit port calls by nuclear-powered ships and submarines.

House of Representatives Speaker Ramon Mitra indicated during Shultz's visit that the lower house would reject the nuclear

ban if the Philippines get "favorable conditions" in the current negotiations. Mitra has specifically cited compensation as one of the criteria lower house legislators will examine.

Thus far, Manila has rejected U.S. compensation offers as inadequate. A spokeswoman for Philippine negotiators said her government had asked the United States to provide more than \$1 billion annually in compensation for the bases, a figure American officials privately dismiss as unrealistic.

The U.S. has offered a financial package that reportedly would double or triple the current \$180 million a year provided to the Philippines for "unhindered use" of the two bases. American negotiators have repeatedly cited budgetary constraints as severe limits on the United States' ability to meet Philippine expectations.

In an effort to help satisfy Manila's demands, Shultz and Manglapus had agreed to explore other forms of compensation beyond the current package providing the country with economic development grants, military sales credits and military assistance grants.

If the two sides fail to reach an agreement in the current treaty review process, the issue of compensation in the final two years of the lease would be an open question. Under the current executive agreement signed in 1984, President Reagan made a pledge to provide the Philippines with \$180 million in annual compensation.

TRIBUTE TO LINDA PEEK

Mr. DOLE. Mr. President, I will just take a moment to pay tribute to a member of the distinguished majority leader's office who I understand is leaving his staff today. I am talking about Linda Peek, Senator BYRD's hardworking national press secretary, who will soon be joining the private sector.

No doubt about it, if you work for ROBERT BYRD, you better be hardworking because he realizes, as I do, that Senate leadership is serious business.

For the past 5 years, Linda has more than met the challenge. She has been a loyal and dedicated staff member for the majority leader, as well as doubling as the Democratic policy communications director. It is not an easy job. The hours here are long and unpredictable, the issues complex, the pressure great, and the media inquiries never ending. But she met the 24-hour per day task head-on and earned a reputation for excellence and fair play.

Linda Peek was always courteous and helpful to me and my staff, and I just want to tell the distinguished majority leader that we appreciate her cooperation. I know my good friend from West Virginia will miss not only her expertise and trust counsel but also her daily presence in the leader's office. I am not telling the majority leader anything he does not already know. She will be tough to replace.

Mr. President, I would like to extend my best wishes and the best wishes of all my colleagues on this side to Linda

Peek as she moves on to her next career challenge.

Mr. BYRD. Mr. President, I thank the distinguished Republican leader for his very gracious remarks concerning Miss Linda Peek. I very much appreciate his comments. I am sure that Linda will deeply appreciate them likewise.

RECENT REMARKS BY AN AMERICAN BUSINESS HERO

Mr. BYRD. Mr. President, on July 11, I was privileged to host a luncheon here in the Russell Senate Office Building for participants in the 25th Annual National Youth Science Camp.

Throughout its quarter-century life, the National Youth Science Camp has been held at the Pocahontas County, WV, 4-H Camp, located in Bartow, WV. The camp is composed of two students from each state selected by the 50 Governors. This year's campers were all 1988 high school graduates, and were selected to participate in this program on the basis of their high academic achievement, strong leadership skills, and their interest in pursuing careers in science or mathematics.

As in the past, this year's campers were definitely among the cream of our Nation's high school graduates. Included among the 1988 campers were 25 valedictorians, six salutatorians, and 15 honorarians. Twenty-eight were national merit scholars and nine were national merit commended students. Seventy-eight of the campers were members of the National Honor Society, while eight belonged to the Beta Club and 15 to Mu Alpha Theta Honor Societies. Five were Robert C. Byrd Scholars.

While guests at the Russell Building luncheon, the National Youth Science Campers were rewarded by an outstanding address by Lee Iacocca, chairman of the board, president, and chief executive officer of the Chrysler Corp.

Subsequent to his guidance of the Chrysler Corp. back to economic strength and renewed competitiveness, Mr. Iacocca won a well-deserved national acclaim. At the luncheon, he delivered a challenging and enjoyable address that I would like to share with all of our colleagues.

Mr. President, I ask unanimous consent that Mr. Iacocca's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

PREPARED REMARKS BY L.A. IACOCCA

Thank you, Senator. I appreciate that introduction.

Well, I never thought I'd get to speak in Washington in an election year. Especially since I'm not running.

By the way, not a lot of people know this, but actually, I have run for office—twice. I was in the ninth grade.

My first term I won by a landslide. Then, wouldn't you know, I got cocky and overcon-

fident and lost my re-election bid. It was a terrible blow because I had given up the tenor saxophone to be class president. I'll tell you, after that, I learned a lesson for life: stay out of politics—it cuts into your fun!

Of course, I wouldn't give that advice to everybody. Not to Senator Byrd, for example. He's been in politics all his life, and maybe you don't know this, but he's still one of the best "old timey" fiddle players in all of West Virginia. There's also nobody more dedicated to seeing that people like you get the best possible education that we can give you. That's why you're here today . . . and that's why I am, too.

Senator Byrd is a true believer in the importance of education.

He put himself through law school at night when he was a member of Congress. I understand that he used to put his lawbooks on his steering wheel to read as he traveled to West Virginia to work with his constituents.

But, I'm here today because you invited me. I thought it was Senator Byrd, but he tells me it was, in fact, you wonderful kids. I'm really honored. And I mean that. But I'm not so sure I'm that deserving.

You see, the lowest grade I ever got in college was in freshman physics. I tried every trick in the book. I even befriended my professor and got him to tutor me, and still I managed only a D! Now, I think the guy would turn over in his grave if he knew I was talking to a whole room full of science whiz kids right now.

Eventually, I did get back on track (my father made sure of that), and I picked up not one—but two—engineering degrees. After I got into business, though, I learned pretty fast that I was better at selling cars, than building them. So I got out of engineering and into marketing.

To tell you the truth, I never figured on getting back into, but little did I know. It turns out, of all the things I need to understand right now, technology's right at the very top of my list.

There's a lot of hoopla about "high-tech" places like Boston and Southern California, but if you want to see high tech in action, come to Detroit some time. At Chrysler, we spend nearly a billion dollars a year developing new cars and trucks, and then another billion or so buying robots and computers to help our people build them.

And guess who gets to make the really expensive technology calls? I do. The guy with the "D" in physics! Maybe I don't practice engineering, but I use it every day. And I use the analytical thinking that was sharpened in my math classes back at Allentown High, Lehigh and Princeton. I'm a manager who's known as a salesman, but I run a business that's about as "high tech" as you can get.

Now, you're very, very smart kids, the 100 best in science and math we have in this country right now, they tell me. (Congratulations on that, by the way.) I'm sure that you already know the importance of technology. So, I can save that speech for somebody else. But I just want to start off today by making sure that you understand where science and technology are put to work—and it's in places like Detroit and Pittsburgh and Youngstown, America's factory towns!

This country's future (and yours) doesn't just depend on how good our science is; it really depends on how we put that science to work. And since you're the top 100 this year, you'll be the ones who have to put science to work—you'll be the leaders.

I know all of you are looking forward to college, and I know you'll all get straight A's. But (and this is a big, important but) there's something you're not going to learn in college. I never had a class in it. None of the senators have ever studied it. Ask your parents sometime, and they'll tell you they didn't have a class in it, either. Yet, along with your science, it's going to be the most important skill you'll need to develop. It's called leadership.

For one reason or another someone was good to you and gave you lots of smarts. And you've put them to good use . . . so far. Terrific. But don't let it go to your head. Because you're going to pay for this gift you've been given. Some day, you'll have to carry a lot bigger load because of your gift. You're going to have to lead.

And the sad fact is, you're coming of age in a country that has a plate full of problems. The senators will tell you that here in Washington they've even begun asking an awful, awful question that has never had to be asked before—and I mean never! And the question is simple: "Can America really compete in today's world?"

One reason that question is asked is because there aren't enough kids like you—not in America, anyway. You don't have much in the way of back-up help from your classmates. Granted, you're the cream, but let me tell you, the rest of the crop is not very good.

This really hit me last month, when I picked up a New York Times. I saw a front-page that just scared me. And it should scare you, too.

Right under the famous box that says "All the News That's Fit to Print" was a story on math education. It said a new study out shows almost every high school student can now handle simple arithmetic.

This is news? Man bites dog, that's news! But the fact that our high school kids can figure out that three nickels and one dime make a quarter is not news?

And it gets worse. The study also found (get this) that no progress has been made on teaching kids more complicated mental tasks—stuff they need to know to hold a job. Half our nation's 17-year-olds can't solve math problems at a junior high level. They can't take 87 percent of 10 and figure out if the answer is less than 10, greater than 10, or equal to 10.

And don't think these kids grow any smarter when it comes to science. Our own government compared our teenagers to kids in a number of other countries. And the results stink.

American ninth graders ranked 15th in a field of 17 nations. Our twelfth grade chemistry students placed third from last, and our twelfth grade biology kids finished dead last. Botany I wouldn't mind—but hell, biology is life. I think a tree-stump could have scored better.

The sad truth is, while these twelfth graders may not be geniuses, actually they're several notches above the average Johnny. You see, by twelfth grade, a quarter of our teenagers (your peers) have dropped out, and I don't know too many who drop back in.

They say (now, this is a bit much, but I gotta believe it) drop-out rates would be higher yet, but teenagers like to stay in school long enough to take—listen to this—driver's ed! And you know, they tell that to me with a straight face!

I'll tell you, there's nothing funny knowing that when a Japanese teenager finishes twelfth grade (and 90 percent or more do),

they have the equivalent of three more years than our kids.

There's nothing funny knowing that the average Japanese high school graduate knows as much as our average U.S. college graduate. And there's nothing funny about dumping one million untrained kids into our workforce every year.

Now, these are horrible statistics for our country, and I think you understand that, but it cuts even closer to the bone. Because they're horrible for you and me, too.

Just stop and think, for a minute. Your time will come, and very soon, when you're at the mercy of these kids in the middle and the bottom. These folks will be our policemen . . . firemen . . . nurses . . . teachers . . . lab technicians . . . and our assembly workers.

Maybe you'll go out and design the best computer in the world. But if your company can't find people smart enough to build it at the quality levels of the rest of the world (and service it—I might add), it doesn't matter what you do. No matter how good your technology is, your co-workers will wipe you out.

I've been in business 40 years now, and, believe me, I've been at the mercy of lots of people. Take my suppliers. They sell me the steel, and the rubber and the glass that goes into a car. But do you know which, of my thousands of suppliers, is my most important one of all? Our schools. After all, they supply my workforce. But tell me, how am I supposed to compete when 50 percent of the kids they send over can't do math? If even a handful of my other suppliers sent me half defective parts, I'd lose my shirt—overnight.

And don't forget, we need to be world competitive these days. I compete with a lot of foreigners. So I was a little curious, about which countries were beating our ninth graders in science.

I looked it up, and there's something pretty revealing about the list. It turns out that only Hong Kong and the Philippines did worse. Well, thank God they don't sell cars here. But of the countries that beat our kids, half of them do sell cars here.

Remember my mentioning the billions of dollars we're spending at Chrysler on robots and lasers and all the other exotic technology? Well, my competitors in all those countries that beat us in ninth grade science have all the same tools. The only difference is the people who use them.

Believe me, we're running a big risk if our bottom and middle don't start improving. It won't just be their jobs that will be washed out, it could be your careers, too. As future leaders, you can't hide and let the other guy worry about it. This problem will surely drop into your lap.

I know. It's already dropped into mine. You see, I come from a pretty tough city. A lot of people will tell you that it's not a very smart thing to build a brand new plant in the inner city any more. They say find a green field in Timbuktu or some place. But I say you put a plant where people need jobs, and they're needed the most right now in the inner city of Detroit.

So a year or so ago, when it came time to pick a site to build a modern and efficient plant, we picked the east side of Detroit. Chrysler's investing millions of dollars. It will be as high tech as any plant in the world: robots . . . lasers . . . computers . . . you name it.

But the robots won't run the plant. People will. And I'll tell you what scares me. The high school just down the road from our new plant doesn't have a 10 percent drop

out rate like in Japan. It doesn't have a 25 percent rate, which is average in our country. It has a 50 percent drop out rate. Half the neighborhood kids never finish school.

So it doesn't just matter what my bright people do. They can design a car that blows you away. But if I get people in a plant who can't build a perfect car, we all go down the tubes—together.

As future leaders, I hope you think about these things when you ask yourself: "What am I responsible for? What kind of problems should I solve?"

By the way, when you ask yourself those questions, I hope you start thinking about another growing problem. I hate to tell you, but this could screw up your careers, too.

It's hard to believe when I see your enthusiasm, but in this high-tech society of ours, we've got a dwindling interest in science. I don't think we have to be fanatical about science, like it was a religion or something. But I do feel science could attract a lot more attention than it's been getting lately.

After all, most of your high school classmates didn't bother to take even a year of physics or chemistry. Less than one in ten takes calculus. And today, the pool of high school science teachers is drying up so fast, the job is increasingly going to the football coach. (He may know something about immovable objects meeting irresistible forces, but I don't know how much he knows about mixing chemicals in the lab!)

Things aren't too much better on the college campuses, either. Just when we need to catch up and produce more engineers, 10 percent of our engineering and science faculty positions are vacant.

And it seems all of this is coming just as America's science and technology are no longer years ahead of everybody else's. For the longest time, even up through the mid-60s, more than 75 percent of the world's technology was generated right here in the U.S. But today, they estimate, we generate only about 50 percent.

At 50 percent, we're still developing half the world's technology. That still puts us way ahead of Japan, or Germany, or Russia or any other country on Earth. It's the trend that I don't like. I don't want to see it drop to 25 percent.

If you kids want to be leaders, truly leaders, then I think your challenge is to stop the decline of American science. You have to spark enough interest in science to keep us at least at 50 percent. You have to help us keep our grip.

And when you figure out how you're going to do that, you better also do some figuring about what kinds of technology we should be serving up. Because let me warn you, that's another big problem that could mess up your careers. You could work 12 hours a day, seven days a week, but if you focus on discovering how porcupines make love, what good is it?

I know that a lot of you may choose to lock yourself in a lab to find the secrets of the human cell. You may spend the rest of your life doing basic research. That's terrific, because we have a lot of disease that needs to be wiped out, and the Lord willing, you people will be the ones to do it.

But I hope that some of you realize that American industry needs your talents, too. Of course, not many people are going to advise you to go out and get your hands dirty, and make something to help this country become more productive. Only uneducated fools would have anything to do with factories, right?

If you're really a genius, you should go to work on Star Wars. That's what they tell

you. Right now, I understand that we have 23,000 of the finest scientific minds in America at Hughes Aircraft working on Star Wars and other classified projects.

Now, I'm not crazy enough to get into that debate here today. But as a businessman, I've gotta ask a question: What are the Japanese doing with 23,000 of their finest minds?

The answer is simple: they're working on sharper TV pictures, graphite golf clubs, and electronic instrument panels for cars. Our best and brightest put the results of their work into missile silos, while the Japanese bring good things to life for the enjoyment of American consumers. It's a brain drain that, frankly, boggles my mind.

And when we do come up with something that could help us compete, we always seem to stop short of putting our creations to work. Americans developed the VCR, for example, Americans developed the robot. Americans (with the help of Europeans) developed continuous casting of steel.

But today, not one VCR is produced in the U.S. Japan has twice as many robots as we do (though we're starting to use a lot more in Michigan). And more than 90 percent of Japanese steel mills employ continuous casting, while we're at 60 percent.

We always seem to take our eye off the ball. You kids weren't around for Sputnik. But I can remember how one day back in the late '50s this country looked into the sky, and saw a little basketball of Russian steel orbiting around mother Earth. And it sent us right into shock.

We suddenly made up our minds to catch up. We made a national commitment. We pulled our smartest people together, and gave them money, and gave them a challenge. And we never stopped looking up until we put a man on the moon. It's something we were all very proud of, and rightly so.

But as we were looking up, boats filled with VCRs, and cars, and steel started coming over by sea. I'm a little ashamed of this, but as we kept looking up, more and more boats came over. By the time we stepped on the moon, we had started to lose touch with what was happening here on Earth.

We had won the space race all right, but we were losing the race to keep America's place in the world economic order. We had led the world into a new era, one beyond our wildest dreams. But as we did it, we forgot to look at our real problems, and to commit our greatest minds to solving them.

I hope you kids don't make the same mistake. Maybe Star Wars is a smart thing to do—I just don't know. But let's not forget about something at least as important—and that's America's competitiveness. That deserves our best brains because if America can't compete economically in this world, then nothing (and I mean nothing) else will matter anyway. In the history of man—no country was ever a strong military power without economic power to back it up.

Now, while we recognize these problems, let's not forget we have a lot going for us, too.

We can all be proud that we've turned out more Nobel Prize winners in medicine and physics in the past 25 years than all the other countries combined. We can all be proud that we still develop half of the world's technology. And we can all be proud—very proud—of our great universities.

They must be good because the brightest kids from all over the world still flock to

them. Do you know that 40 percent of the doctorates in engineering awarded in the United States go to foreign students?

Obviously, they think there's something to learn here. Our America is still the model for everybody else. They copy us (not the bad things, but the good). They want what we have here. That's terrific, but we've got to do more than teach them . . . we have to be more than a model of "the good life" they all want . . . we have to be able to compete with them.

That's the thought I want to end on today. Right now your futures look great. You're all at the head of the class. You're here because a lot of people, including Senator Byrd, including me, want the best for every one of you. We know how much you can contribute. But if some of your talents aren't used to help us build better cars and refrigerators and, yea, maybe even toothpaste, then the dream is over. For all of us.

So, don't let that happen, okay?

I'm honored that you asked me to come. The Lord willing, I know we'll be hearing a lot from you in the years to come. I'll try to track your careers 20 years from now! Good luck and godspeed to all of you.

SENATOR ROBERT C. BYRD OF WEST VIRGINIA

Mr. HEINZ. Mr. President, as every Senator knows, at the close of the 100th Congress, the distinguished majority leader, Senator ROBERT C. BYRD, will conclude his 12th and final year as the Democratic leader. And at that moment the Senate will mark the end of an exceptional era. Happily for us all this occasion in no way marks or signals the end of Senator ROBERT BYRD's remarkable service to the Senate and the country. We know that our distinguished friend and colleague from West Virginia will be with us next year and bring to his responsibilities in the 101st—and I suspect many more Congresses—the same qualities of leadership, perseverance, integrity that we have seen characterize not just his years of service as Democratic leader but his entire career in public service.

Mr. President, it is a matter of record that, during his long, distinguished career in the Senate, Senator BYRD has served on a variety of influential committees and positions—the Committees of Appropriations, Judiciary, Rules and Administration. He has held such key leadership positions as Secretary of the Democratic Conference, majority whip, and of course since 1976 Senator BYRD can rightfully and proudly number many significant achievements during his tenure as majority leader.

In my view his successes in this, the 100th Congress—and by the way we are by no means near completing our work yet—must surely rank among the most accomplished and will be hard for any future successor to surpass. I predict that history will mark the legislative successes of this Congress—among the passage of the INF Treaty, the catastrophic health bill, and the

Civil Rights Restoration Act, together with the expeditious action, timely handling of the drought relief bill as recently as yesterday and the appropriations bills that we have seen come on the floor with remarkable rapidity this year—as the notable among the many productive Congresses during Senator BYRD's remarkable tenure as leader.

Above all, those who appreciate and follow such matters will especially value, as we his colleagues do, Bob BYRD's meticulous attention to detail, his unsurpassed knowledge of the rules and traditions of the Senate, and his special and utterly dedicated fidelity to the integrity of the legislative process and the reputation of this institution.

His extraordinary mastery of how the Senate operates has, of course, made him a legislator non pareil. His deep understanding of the Senate's history, of its unique role in the balance of powers, and of the responsibility of the Senate to change as the times demand have shown him not only to be a leader, but a statesman as well. And all of us—and it is true of every single Senator I know, as well as our staffs, have learned enormously from him. We have had our experiences in this institution enriched by him, by his great knowledge, by his skillful employment of his remarkable intellectual endowment and his accumulated wisdom for the benefit of this body and the Nation.

Mr. President, we rightly honor Bob BYRD as an outstanding Senator and Democratic leader. But it would be a serious oversight to overlook the man himself for he is a very special and unique human being. Bob BYRD is first and foremost a gentleman. He is a man of infinite consideration and patience, and of special importance in our line of endeavor, a man whose word is always good.

Having worked with him in this body nearly 12 years now I can attest to the fact that he can be a powerful opponent or a resourceful, dependable ally. Let me assure you, Mr. President, I have always preferred the latter.

Mr. President, it has been my distinguished privilege to know and serve with Bob BYRD in this Senate, to work with him on a variety of important issues affecting our States and the Nation. I look forward to serving with, God willing for both of us, for many years to come, and I would like to join my many colleagues and his many admirers and friends in thanking Bob BYRD for his service to this country and the Senate, and for the splendid example he has set for us all.

Mr. President, I yield the floor.

Mr. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The majority leader.

SENATOR HEINZ' STATEMENT

Mr. BYRD. Mr. President, I thank my friend and distinguished Senator from Pennsylvania, Mr. HEINZ, for his very gracious and overly charitable, highly complimentary remarks.

I treasure my association with Senator HEINZ. We represent States that have common problems, similar problems, people who are much alike, industries that are alike, steel, coal, and glass. And we see our problems, and we see things much alike.

The Senator has gone out of his way and spent time on preparing that statement. I know of nothing that gives me greater comfort and satisfaction than to have the respect of my peers, and to hear kind words stated. I am deeply grateful for our Senator's comments. I treasure his friendship. I cherish the opportunity to serve with him, and I look forward to our continued service together.

I thank my friend.

I yield the floor.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BAILEY IZARD: HE WAS BADLY TREATED BUT GREATLY ADMIRER

Mr. ADAMS. Mr. President, even though all of us who serve in the U.S. Senate are honorable human beings who attempt to treat people fairly, I suspect that from time to time we make errors in judgment that make life more difficult for folks. That is just human nature; it is perfectly natural.

What is not natural, however, is the fact that every Democratic Senator—and I suspect a few Republicans from time to time—have consistently made life more difficult for one individual: Bailey IZARD, one of the fine young men who works in our cloakroom.

It is not that we do not like Bailey—he has a fine intellect and a great sense of humor. It is not that Bailey is not nice to us—he is perhaps the most considerate person I have ever met. Rather, the problem is that Bailey has, through some accident of fate, drawn the worst job in the Senate, and perhaps in the world: in addition to answering the normal unanswerable questions which flow into the cloakroom ("will there be any more votes today?", "what time will we get out?", "what will we do tomorrow?", "what is the meaning of life?"), it is Bailey's

duty to schedule Senators to preside over the Senate.

Most people might not think that that is a difficult way to make a living; after all, it looks like a better job than most. But looks can be deceiving.

The truth is that every Senator is busy, every Senator has a schedule which is constantly changing, and every Senator has—at least once—decided that the best way to resolve a scheduling conflict is to "politely ask", usually about 5 minutes before they are scheduled to begin their assigned duty, to have their presiding time changed. It is Bailey Izard's job to deal with those "polite requests".

He has done that job with skill, with patience, with diplomacy, with cunning, and—when needed—with a vocabulary which staggers the imagination. Now I understand that he has decided to leave us and go on to business school. I certainly wish him the best but I can not imagine what skills he will learn there that he does not already know as a result of working here.

In any event, on behalf of my colleagues and on behalf of my staff—particularly Sara Johnson and Bob Seltzer who have had more than one occasion to make outrageous requests on my behalf—I want to thank Bailey for his patience, his dedication, his understanding, and his friendship. I wish him well.

RETIREMENT OF LT. GEN. WILLIAM E. ODOM, U.S. ARMY

Mr. BOREN. Mr. President, on Tuesday, July 26, 1988, the U.S. Army, with full military honors, retired an outstanding soldier, an exceptional public servant, and a truly brilliant scholar-general, Lt. Gen. William E. Odom. In my Intelligence Committee duties in recent years, I have had frequent opportunity to see at first hand the exceptional intelligence, devotion to country and duty, candor, and high moral courage of this officer. His unique accomplishments in the intelligence and national security strategy disciplines have earned him great respect from his professional colleagues and many Members of the U.S. Senate and House of Representatives.

During the retirement ceremonies the Honorable Frank Carlucci, Secretary of Defense, and Gen. Carl Vuono, Chief of Staff, U.S. Army, paid glowing tribute to Lieutenant General Odom's service to his country. I ask unanimous consent that Secretary Carlucci's and General Vuono's description of this dynamic military intelligence officer be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF SECRETARY CARLUCCI: RETIREMENT OF GENERAL ODOM

Members of Congress, General Odom, Mrs. Odom, other distinguished guests, and ladies and gentleman.

One of the sources of greatest personal satisfaction I have had as Secretary of Defense is meeting with the officers and enlisted personnel, and the dedicated civilians who man this Nation's defenses and support our forces in the field. And therefore, as a first order of business, I want to convey to the dedicated professionals of the National Security Agency, which General Bill Odom has commanded for the past three years, my most sincere respect, gratitude and appreciation for the service you as an agency are performing for our Nation.

Today, from the Persian Gulf to Central America, from the DMZ of Korea to the inner-German border, from our strategic forces and our ships at sea to the negotiating tables of Geneva, NSA stands quietly in support of America's security interests. The superb manner in which NSA is meeting these professional challenges stands in testimony to the leadership of General Odom.

Later this week I will depart for my second trip to the Soviet Union within two months. My trip is as clear an indication as any that our relations with the Soviet Union are changing, are changing rapidly, and, hopefully, are changing for the better. As we assess our relationship with a newly emergent character of the Soviet Union. I have often said that we must rely on Soviet actions, not merely their words and promises, as the truest measure of meaningful change. Thus, by having as clear and timely a description of Soviet actions, and as comprehensive an assessment of their context and meaning as possible, the national security posture of our Nation at this very critical stage is enhanced. Ultimately, it would be far more dangerous for us to underestimate Soviet capabilities and intentions than it would be to underappreciate the opportunity for meaningful dialogue.

We must remain aware, then, of this critical balance between the natural idealism of our Nation, an idealism that would always see the possibility of meaningful change in any adversary, and the reality of a Soviet military establishment that produces enough tanks to outfit a new armored division every month and a new submarine every 37 days.

And no one has been more aware of this tenuous balance than General Bill Odom. He has given a lifetime of service to his Nation and his army as a soldier, a scholar and a leader. Few military officers have had the depth of understanding of our potential adversary as Bill Odom, an understanding developed by years of experience, brilliant scholarship, and his unique ability to match theory with reality. General Odom was one of those outstanding people we meet so infrequently who could simultaneously pursue seemingly disparate vocations. He proved beyond question that one can truly be a scholar and a soldier. By combining a keen appreciation for the public argument and an insightful grasp of the issues, he was an articulate spokesman for the most critical and sensitive issues facing the Nation. General Odom is one of America's first national security scientists. He embodied in his career a clear appreciation for the fact that national security is a body of knowledge that includes not only military matters, but the vast dimensions of political, economic, social and scientific thinking as well.

And so today is a bittersweet occasion. We honor General Odom for his lifetime of service to the Army and the Nation. But it is reassuring for us to know that Bill Odom's ceaseless quest for knowledge and excellence is today being passed on. And we are reminded by General Odom's career of the demands on each of us for outstanding professional performance, the relentless pursuit of knowledge, and the highest standards of commitment.

To Bill and Anne Odom, we wish you the very best for a very happy future. On behalf of a grateful Nation, I wish you the very best for every success and happiness. Thank you.

REMARKS OF GEN. CARL E. VUONO

Mr. Secretary, distinguished guests, many friends of Bill and Anne's, fellow soldiers:

We welcome all of you to this very special ceremony as we recognize and bid our farewells to the Odoms, a family that has contributed so much to the Army and to our nation. I want to pause now and offer a hearty welcome to 2nd Lieutenant Mark Odom, who on Monday will join the 505th Airborne Infantry Regiment, 82nd Airborne Division, where we wish him the best of luck in his future Army career. And we know your parents are delighted to have you with them this afternoon.

Now this gathering of friends and associates of Bill and Anne's reflects a breadth and stature of the great soldier we salute today. And you know, when we have retirements there are mixed emotions. Some sadness—nostalgia—is inevitable when friends, colleagues and comrades in arms say goodbye. Offsetting that sadness today is a sense of pride. Pride in the accomplishments of the Odoms.

I have a letter here I'd like to read to Bill from the Chairman of the Joint Chiefs.

"DEAR BILL: I want you to know personally how much value I've placed on your exceptionally wise counsel and many accomplishments as Director of the NSA. During the past three years we have not wanted for crisis and in every case, you and the agency have come through with most timely and appropriate support. Your personal efforts have contributed directly to successful operation of our military forces around the world. Your astute leadership has helped to achieve significant and lasting benefits to the security of the United States during extremely critical times in our nation's history."

"Your distinguished tour at the helm of NSA culminates a 34-year Army career with many successes. Throughout much of your military experience you have been at the forefront of US military intelligence activities, while demonstrating keen awareness of the mindset and intentions of those who would represent a threat to America's ideals and interests."

"Bill, you leave a most impressive legacy and I can say without any hesitation the Joint Chiefs of Staff, the Department of Defense, and the United States are better off for having had you at NSA. Please accept my personal appreciation for assisting me in providing the best military advice to the President and the Secretary of Defense."

"Shirley and I wish you and Ann the very best for continued success in the future. Please know that while an absence from Washington prevents us from attending

your retirement ceremony on Tuesday, we will be with you in spirit and thought.

"Warmest Regards,

WILLIAM J. CROWE,
Chairman, Joint Chiefs of Staff."

Bill, I want you to know that all of us have the greatest respect for you from the time you graduated from the Military Academy in 1954. Now the award citation just read mentions the specifics of your most recent accomplishments, which are many. But for a few moments this afternoon I want to focus more generally on the four soldierly values that I believe have characterized your service: commitment, confidence, candor, and courage.

Commitment: Bill Odom has dedicated his life to serving soldiers and his country. He has striven for excellence in all that he has done. Early in his career he developed a deep and enduring commitment to our nation's security. A noted scholar, he has made a career of teaching others about national security issues, sharing his knowledge and insights with all ranks from cadet to general officer. Those who have learned from him (and there are many of us in and out of uniform) have great admiration for his selflessness in the service of his country.

Confidence: By any measure, Bill is one of our most confident leaders. He's a widely recognized expert on the Soviet Union and is the Army's and the military's foremost authority on the Soviet military. More than anyone in the Army in the last ten years Bill has greatly enhanced our understanding of the Soviet military.

Candor: Throughout his career Bill has been frank and open in all his dealings with others, whether they be senior or subordinate. Wherever he has served he has energetically pursued policies and made recommendations based on what he considered best for our nation, not what may have been merely convenient to him or others.

And finally, **Courage:** In a calling that places a premium on moral courage, Bill Odom has clearly been a leader with qualities of determination and fortitude. Time after time he stood firmly with his convictions against many who, in spite of their best intentions, opposed his views. We're a better nation and a better Army because of Bill's courage.

In short, Bill Odom has excelled as a soldier, a scholar, and a statesman, an accomplishment matched by few in our army's history.

And a special word of thanks to Anne who has been at Bill's side for many years throughout his career and who has made a major contribution to our soldiers and to our Army. She joined with Bill long ago in the pursuit of his professional and intellectual interests about the Soviet Union. And whether entertaining Military Academy cadets or conversing with Soviet diplomats, Anne Odom represents all that is noble and worthy in an Army wife. She has steadfastly supported her husband and her service has been equally selfless. So Anne, we thank you very much this afternoon.

So, to Bill and Anne on behalf of a grateful Army and Nation, thank you for a lifetime of superb service to your country. Soldiers, civilians, and families throughout the Army, as well as countless others that you've touched along the way have benefited from your work. You leave a rich legacy in which you can be justifiably proud.

So as you embark upon new and exciting challenges all of us in uniform and out wish you both the very best, God speed, and good luck.

TRIBUTE TO McAULIFFE FELLOWSHIP WINNER DONALD W. POTTLE

Mr. KENNEDY. Mr. President, we all recognize the importance of excellent teachers who are dedicated to the educational development of our Nation's youth. Our schools will never be any better than the teachers who work in them. The Congress has recognized this and we have created the **Christa McAuliffe Fellowship Program** in order to honor the New Hampshire schoolteacher who perished in the tragic *Challenger* shuttle explosion in 1986. The McAuliffe fellowship program recognizes the outstanding effort of a small number of teachers and awards them with a year-long research grant.

Donald W. Pottle, a 19-year teacher of biology and human physiology at Shrewsbury High School in Shrewsbury, MA, was awarded a McAuliffe fellowship for 1989 at award ceremonies held this past May. Mr. Pottle received the fellowship in recognition of his outstanding performance in teaching and for producing a scientific project that received recognition from the National Aeronautics and Space Administration.

A graduate of Rutgers University and the University of New Hampshire, Mr. Pottle was chosen as the Massachusetts Outstanding Biology Teacher in 1982 and the Massachusetts Teacher of the Year in 1983. Mr. Pottle plans to use his grant to write and publish a book, "Project Hotline."

I am grateful for the efforts of Mr. Pottle and other teachers like him who have made a life-long commitment to excellence in education. I extend to him my congratulations and best wishes.

TRIBUTE TO McAULIFFE FELLOWSHIP WINNER JAY HOWARD SUGARMAN

Mr. KENNEDY. Mr. President, we all recognize the importance of excellent teachers who are dedicated to the educational development of our Nation's youth. Our schools will never be any better than the teachers who work in them. The Congress has recognized this and we have created the **Christa McAuliffe Fellowship Program** in order to honor the New Hampshire schoolteacher who perished in the tragic *Challenger* shuttle explosion in 1986. The McAuliffe Fellowship Program recognizes the outstanding effort of a small number of teachers and awards them with a year-long research grant.

Jay Howard Sugarman, a fourth grade teacher at the Runkle School in Brookline, MA, for the last 9 years, was awarded a McAuliffe fellowship for 1989 at award ceremonies held this past May. Mr. Sugarman received the fellowship in recognition of his out-

standing performance in teaching and for his work on the Brookline educational journal, *Reflections*, of which he is founder, publisher, and managing editor.

Mr. Sugarman has a bachelor's and master's degree from the University of Chicago, as well as a doctorate in education from Boston University. Mr. Sugarman will use his McAuliffe fellowship to take a year-long sabbatical, during which time he will be a member of the teacher assessment project research team at Stanford University.

I am grateful for the efforts of Mr. Sugarman and other teachers like him who have made a life-long commitment to excellence in education. I extend to him my congratulations and best wishes.

U.S. CIVIL RIGHTS COMMISSION HEARINGS ON INDIAN CIVIL RIGHTS ACT ENFORCEMENT

Mr. HATCH. Mr. President, recently I have been following a series of hearings being conducted by the U.S. Civil Rights Commission regarding the enforcement of the Indian Civil Rights Act of 1968. Congress enacted that act following extensive Judiciary Committee hearings, chaired by the late Senator Sam Ervin. Ten years later, in 1978, the Supreme Court, in *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, held that claims under the Indian Civil Rights Act were reviewable only in tribal forums and no longer, except for writs of habeas corpus, in the Federal courts. In doing so, the Court stated that if it were determined that tribal forums were not applying the act, Congress was certainly within its power to amend the act to provide additional remedies.

Put simply, what the Commission has been attempting to do through its hearings is to examine whether the Indian Civil Rights Act is being adequately enforced in the 10 years following the Martinez decision. Its fact-finding has been comprehensive, with well in excess of a thousand pages of testimony developed from hearings in South Dakota, Arizona, Oregon, and Washington, DC, to say nothing of the thousands of pages of documents it has gathered in its factfinding capacity.

The Commission's interest is in the rights of individual American Indians vis-a-vis their tribal governments. That, after all, is the purpose of the Indian Civil Rights Act, to restrain tribal governments from abridging certain basic rights, many of which are contained in the Bill of Rights. The Commission is on record in numerous places as favoring strong and independent tribal judiciaries. The Commission has also stated that without

such courts, enforcement of the act is rarely permitted to flourish.

During floor debate on the Commerce, Justice, State appropriations bill, language was included to prevent the Commission from expending fiscal year 1989 funds to enforce subpoenas against tribal officials. During debate on the bill, it was stated that "many Indian leaders have become convinced" that the Commission's investigation "is designed to establish that the governments of Indian tribes, and particularly the courts of Indian tribes, cannot be entrusted to protect the rights of Indian tribal members."

I do not think the Commission's investigation is designed to do anything except determine whether, in fact, the act is being enforced by tribal governments. If the Commission's factfinding is establishing that certain tribal governments are not enforcing the act, then that is something we need to know.

The Commission has begun to release some of the transcripts of its exhaustive hearings on the issue. These transcripts speak for themselves and should be read by all of my colleagues for the evidence they contain. Are the basic rights of the American Indian, or for that matter, the basic rights of non-Indians living on reservations, being adequately safeguarded or aren't they?

Finally, during the floor debate on this matter, a letter from the Navajo Tribe's attorney general, which was highly critical of the Commission's attempts to gather information, was included in the RECORD. In order to present a balanced picture in this regard, I will ask unanimous consent that a copy of a letter from William B. Allen, Chairman of the Commission's Subcommittee on Enforcement of the Indian Civil Rights Act, to the Navajo Nation chief justice, Tom Tso, be inserted in the RECORD immediately following my comments.

Mr. President, native Americans are American citizens. The factfinding that is being conducted by the Commission is of vital importance to them and to the Members of Congress as we fulfill our oversight role. If there are violations of this act with respect to individual citizens, then these efforts on the part of the Commission must not be impeded. I hope that the conference committee on this bill will see fit to remove this troublesome language.

I ask unanimous consent that the letter to which I referred be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. COMMISSION ON CIVIL RIGHTS,
Washington, DC, July 18, 1988.

Hon. TOM TSO,
Chief Justice of Navajo Nation,
Window Rock, AZ.

DEAR CHIEF JUSTICE TSO: I am in receipt of your letter dated July 6, delivered to the Commission by overnight express on July 12, in which you refused my written invitation of June 29 to appear and give testimony at the Commission's hearing on July 20. I am pleased that you have since reconsidered. Still, I wish to answer the legitimate concerns in your July 6 letter. For I firmly believe that your disinclination to appear was based on a misapprehension of the scope and jurisdiction of our hearings.

As Commission staff has explained to you, no questions will be asked of you that will require you to violate the American Bar Association Code of Judicial Ethics. As they have further explained to you, you will not be asked to comment on pending cases or render advisory opinions. To the contrary, the only areas that the Commission wishes to explore with you are the areas of the independence of the Navajo Nation judiciary, both historically and presently, and the administration of justice insofar as it does not involve pending litigation or require that you render advisory opinions.

As you know, Commission staff volunteered to provide you with written questions in advance of the hearing, and to ask additional questions during the hearing only as necessary to clarify your responses to the written questions. You also are aware that Commission staff volunteered to place you first on the agenda so that you would not inadvertently hear the testimony of others that might be inappropriate of you as a sitting judge to hear. In sum, I think it clear that Commission staff has fully explained the areas that we intend to explore with you, has made every effort to facilitate your appearance, and has made it evident that the dignity of your office as Chief Justice would be fully respected. Indeed, I would think that in light of these explanations, you would, as Chief Justice of the Navajo Nation, relish the opportunity to provide testimony before the Commission.

While the information your office has previously supplied to Commission staff has been helpful, questions remain which we wish to explore with you. Commission staff has received allegations that the independence of the judiciary of the Navajo Nation has been recently threatened. Clearly, it is in the interest of the Navajo Nation's judiciary that the Commission on Civil Rights requested that you appear to provide us with testimony. It is precisely the independence of tribal judiciaries that has been a principal interest of the Commission's Subcommittee on Enforcement of the Indian Civil Rights Act. Indeed, with strong and independent judiciaries, enforcement of the ICRA flourishes.

I trust that my comments respond to your concerns. I look forward to seeing you on July 20, and believe that you will leave the hearing pleased with the result.

Sincerely,

WILLIAM B. ALLEN,
ICRA Subcommittee Chairman.

BICENTENNIAL MINUTE

JULY 23, 1973: WATERGATE COMMITTEE
SUBPOENAS NIXON TAPES

Mr. DOLE. Mr. President, 15 years ago this week, on July 23, 1973, the

Senate Select Committee on Presidential Campaign Activities, known as the Watergate Committee, subpoenaed audio tapes of Oval Office conversations that President Richard Nixon had previously refused to release. This action set up a constitutional confrontation over separation of powers between the executive and legislative branches that was ultimately resolved only after the Supreme Court ordered the President to turn the tapes over to the Watergate special prosecutor.

President Nixon cited executive privilege as his legal justification for withholding the evidence. Committee Chairman Sam Ervin countered that executive privilege could not be invoked when dealing with possible criminal activities. Mr. Nixon claimed that "inseparably interspersed in the tapes are a great many very frank and very private comments wholly extraneous to the committee's inquiry." He also stated that nothing on the tapes would indicate his complicity in the coverup.

Considering it a most logical and necessary step, the committee wasted no time in issuing the subpoena, which was served by 6 o'clock that evening. Even the staunchest defenders of the White House agreed with the action taken. Senator Howard Baker, committee vice chairman, contended that the tapes contained material "essential, if not vital, to the full inquiry mandated and required to this committee," though he did try unsuccessfully to suggest an alternate route for ascertaining the evidence.

That afternoon, in an impassioned address, Senator Ervin told the Senate, "the Watergate tragedy is the greatest tragedy this country has ever suffered." And the drama continued to unfold. The months to come would bring the resignation of an Attorney General, a Vice President, and—for the only time in American history—a President of the United States.

CONCLUSION ON MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

EXECUTIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session to consider the nomination of Timothy Lathrop Towell, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay.

The clerk will report the nomination.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Timothy Lathrop Towell, of Ohio, a career member of the Senior Foreign Service, class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay.

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the nomination.

The question is, will the Senate advise and consent to the nomination of Timothy Lathrop Towell, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON I announce that the Senator from Washington [Mr. ADAMS], the Senator from Texas [Mr. BENTSEN], the Senator from Florida [Mr. CHILES], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KERRY], the Senator from Michigan [Mr. LEVIN], the Senator from Nevada [Mr. REID], and the Senator from Michigan [Mr. RIEGLE], are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN], is absent because of illness.

Mr. SIMPSON I announce that the Senator from Rhode Island [Mr. CHAFEE], the Senator from Arizona [Mr. McCAIN], and the Senator from Oregon [Mr. PACKWOOD] are necessarily absent.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 88, nays 0, as follows:

[Rollcall Vote No. 274 Leg.]

YEAS—88

Armstrong	Graham	Nickles
Baucus	Gramm	Nunn
Bingaman	Grassley	Pell
Bond	Harkin	Pressler
Boren	Hatch	Proxmire
Boschwitz	Hatfield	Pryor
Bradley	Hecht	Quayle
Breaux	Heflin	Rockefeller
Bumpers	Heinz	Roth
Burdick	Helms	Rudman
Byrd	Hollings	Sanford
Cochran	Humphrey	Sarbanes
Cohen	Inouye	Sasser
Conrad	Johnston	Shelby
Cranston	Karnes	Simon
D'Amato	Kassebaum	Simpson
Danforth	Kasten	Specter
Daschle	Kennedy	Stafford
DeConcini	Lautenberg	Stennis
Dixon	Leahy	Stevens
Dodd	Lugar	Symms
Dole	Matsunaga	Thurmond
Domenici	McClure	Trible
Durenberger	McConnell	Wallop
Evans	Melcher	Warner
Exon	Metzenbaum	Weicker
Ford	Mikulski	Wilson
Fowler	Mitchell	Wirth
Garn	Moynihan	
Glenn	Murkowski	

NOT VOTING—12

Adams	Chiles	McCain
Bentsen	Gore	Packwood
Biden	Kerry	Reid
Chafee	Levin	Riegle

So the nomination was confirmed.

The ACTING PRESIDENT pro tempore. Under the previous order, the motion to reconsider is laid on the table and the President will be notified of the confirmation of the nominee.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will return to legislative session.

RURAL DEVELOPMENT, AGRICULTURE, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1989

The ACTING PRESIDENT pro tempore. The clerk will report the unfinished business.

The assistant legislative clerk read as follows:

A bill (H.R. 4784) making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1989, and for other purposes.

The Senate resumed consideration of the bill.

Mr. BYRD. Mr. President, Senators will note on page 2 of the calendar for today the names of Senators who have amendments. If those Senators will come to the floor and call up their amendments, it is conceivable that the Senate could complete its business on this bill by early afternoon. But that will depend upon Senators getting to the floor and calling up their amendments.

They are Senators BINGAMAN, BOND, BOREN, BUMPERS, BYRD, BURDICK, COHEN, DECONCINI, DOMENICI, DOLE, EXON, FORD, GRAMM, HATCH, HECHT, HEFLIN, KENNEDY, KERRY, LEAHY, MELCHER, METZENBAUM, QUAYLE, and STEVENS.

This is a very nice opportunity right now for some Senator to call up his amendment.

Mr. President, I suggest that our respective Cloakrooms—I say this to my friend, Senator DOLE—notify Senators that if they are not going to come over and call up their amendments, then we ought to go to third reading.

I yield the floor.

AMENDMENT NO. 2754

(Purpose: To provide that certain amounts appropriated for competitive agricultural research grants be used for research on human nutrition)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. Without objection, the committee amendment will be set aside.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2754.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 15, line 2, insert “, of which \$2,000,000 shall be used for research concerning human nutrition” after “expenses”.

Mr. BINGAMAN. Mr. President, this is an amendment to assure continued support for the Department of Agriculture's program of competitive research grants on human nutrition.

Congress has funded nutrition research grants for more than a decade as part of the Competitive Research Grant Program within the USDA's Cooperative State Research Service. Unfortunately, and despite the great need to encourage nutrition-related research, these grants soon may not be available unless we adopt this amendment. This is because neither the House-passed version of the Department of Agriculture appropriation bill nor the committee's recommendation includes human nutrition research within the broader Research Grant Program.

This amendment does not take funding from any of the programs under the bill, it simply directs that of the nearly \$41,000,000 set aside for the Competitive Research Grant Program, \$2 million be earmarked for competitive research grants on human nutrition.

The Cooperative State Research Service, which is USDA's link to our universities' scientists and researchers, has provided grants throughout this country to conduct important research on human nutrition. We have learned much about the nutritional quality of our food supply since this program began, but there is much more we could, and must, learn about the relationship between diet and disease.

Competitive grants on human nutrition support basic research—often on a biochemical or molecular basis—to increase our understanding of the need for various nutrients. The research is directed at defining the nutritional requirements necessary to maximize health and fitness.

This type of research is supported nowhere else in the Federal Government, and to allow its termination would be shameful. As a nation, we are committed to restoring and maintaining our competitive edge in the world

economy. We are pushing for more high technology and research development. We are demanding excellence in education. We are tackling our domestic deficit. We are reevaluating our export and trade policies.

But if we truly are to be competitive, we cannot neglect our most important asset: the American people. Human resources and an investment in our people will determine how this country fares as a world leader. Fundamental to this investment is the responsibility to help our citizens lead healthier lives. But all efforts at health promotion and disease prevention will be wasted if we do not first understand our nutritional needs and change our diets accordingly.

I am not advocating large grants to a few institutions. These are small grants to individual researchers throughout the country. For example, the 1986 and 1987 recipients were located in 20 States, and the average award was probably not more than \$100,000.

The recipients are selected based upon their proposals, which are evaluated by prominent nutrition scientists from outside the Department of Agriculture. This objective review mechanism assures that only the highest quality research is supported.

The competitive research grants on human nutrition are investments in our future and, I believe, are vital to the health and well being of all Americans. I urge the adoption of this amendment, and I thank the chairman of the Subcommittee on Agriculture Appropriations for his assistance.

Mr. President, I believe this amendment is acceptable to both the majority and minority and I urge my colleagues to support it.

Mr. BURDICK. Mr. President, the purpose of this amendment is to stipulate that \$2,000,000 of the \$40,842,000 in the bill for competitive research grants be for human nutrition.

Neither the House nor the Senate funds human nutrition competitive research grants. \$2,377,000 was provided in 1988 and the President requested \$3,000,000. The effect of the amendment will be to move money from competitive research grants from plant science, animal science, biotechnology, and stratospheric ozone.

We can accept the amendment. We had intended to work on this proposition in conference anyway. The amendment does not cost, so we accept the amendment.

Mr. COCHRAN. Mr. President, as I understand the amendment of the Senator from New Mexico, there is no new appropriated money to be added to the bill. This is a suggestion that a certain amount of the \$40 million account for competitive grants be used for research in the human nutrition area. There are many other areas of activity and research that are funded

in this account. This would be one of many others that would be subject to this kind of research.

We have no objection to the amendment and recommend that it be approved.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. BINGAMAN].

The amendment (No. 2754) was agreed to.

Mr. BINGAMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BURDICK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXCEPTED COMMITTEE AMENDMENT, PAGE 69,
LINES 4-8

Mr. BUMPERS. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. CONRAD). The pending business is the one excepted committee amendment to the bill.

Mr. BUMPERS. Mr. President, perhaps the Senator from Indiana wishes to be heard on this but, at this point, I ask that the excepted committee amendment be agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the excepted committee amendment.

The excepted committee amendment was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the excepted committee amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN addressed the Chair. The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, we are moving along quite nicely here. We have taken up two amendments now and dealt with them in a matter of a few minutes. We have only 32 more to go.

We hope we can complete action on these amendments and move to final passage of the bill by noon. I think we can achieve that goal if Senators who do have amendments will come to the floor and offer those amendments.

I see no Senators here who are prepared to offer an amendment now, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, as a member of the Appropriations Committee, I realize the difficulties my colleagues, Senator COCHRAN and Senator BURDICK, have faced to provide appropriate funding for priority projects under the current budget limitations. One such priority, Mr. President, is the Southern Plains Range Research Station in Woodward, OK. This Agriculture Research Service facility is working to improve the efficiency of ranching operations and other cattle management techniques. As you know, this type of research is vital to Oklahoma and surrounding States.

The fiscal year 1989 budget level for the Woodward Station is \$724,000. The agriculture appropriations bill passed by the House on June 16, 1988, included an additional \$300,000 for the replacement of out-of-date equipment and for improvements to existing facilities. As I have indicated to my colleagues on the Agriculture Subcommittee, these funds are vital to the continued success of the Woodward Station's programs.

Therefore, when the conference committee convenes on H.R. 4784, I would request that the additional \$300,000 for the Woodward Station contained in the House version of the bill be given priority consideration. I thank my colleagues for their assistance in this matter.

Mr. BOREN. Mr. President, I too understand the hard choices that are faced by the distinguished members of the Appropriations Committee. However, I must agree with my colleague from Oklahoma, Senator NICKLES, that the Southern Plains Range Research Station in Woodward, OK, should be a high priority for funding. Ranching is a very important industry to Oklahoma and to the Nation; this type of research is vital to our efforts to keep the American beef industry competitive.

The House of Representatives has seen fit to add \$300,000 to their agricultural appropriations bill for new equipment and other improvements to the Woodward facility. I hope the conference committee for H.R. 4784 gives this funding their highest consideration. I thank the chair and my colleagues.

Mr. COCHRAN. Mr. President, I thank my colleagues from Oklahoma for their comments on the Southern Plains Range Research Station. I appreciate their interest in obtaining additional funding for this research. We have not been able to accommodate them at this stage of the bill's consideration, but we will keep in mind the strong support of the Senators from Oklahoma for this when we go to conference.

Mr. BURDICK. Mr. President, I also thank the Senators from Oklahoma for their comments. I commend their

commitment not only to their State and this project, but also their foresight and courtesy in not pressing for the funding on this bill. The Agriculture Research Service provides much needed information to our farmers and ranchers. I would like to assure the Senators that their proposal will be given every possible consideration in conference.

Mr. CHILES. Mr. President, Senate Budget Committee scoring of the Agriculture appropriations bill as reported by the full Appropriations Committee shows that the bill is under its 302(b) budget authority allocation by \$240 million and under its outlay target less than \$1 million. I commend the distinguished chairman of the subcommittee, Senator BURDICK, and the ranking minority member, Senator COCHRAN, for his efforts to stay within our 302(b) allocations in crafting this bill. I would like to point out that the bill does exceed the spending cap established for international affairs programs by more than \$50 million.

Mr. President, I have a table from the Budget Committee showing the official scoring of the Agriculture appropriations bill, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE BUDGET COMMITTEE SCORING OF H.R. 4784—
AGRICULTURE—SPENDING TOTALS (SENATE REPORTED)

[In billions of dollars]

	Fiscal year 1989	
	Budget authority	Outlays
302(b) BILL SUMMARY:		
H.R. 4784, Senate reported (new BA and outlays)	34.4	26.0
Enacted to date	.4	3.4
Adjustment to conform mandatory programs to resolutions assumptions	.8	.8
Bill total	35.7	29.8
Subcommittee 302(b) allocation	35.9	29.8
Difference	-.2	-(¹)
SUMMIT CAP SUMMARY		
International affairs spending in bill	1.1	1.1
Allocation under international affairs cap	1.0	1.1
Difference	+.1	+.1
Domestic discretionary spending in bill	13.8	8.1
Allocation under domestic cap	14.1	8.2
Difference	-.3	-.1

¹Less than \$50 million.

Source: Prepared by Senate Budget Committee Staff.
Note.—Details may not add to totals due to rounding.

Mr. BYRD. Mr. President, time is wasting and Senators should be taking advantage of the opportunity to call up their amendments.

I ask unanimous consent that if no amendments are called up in the next 5 minutes, the bill go to third reading.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2755

(Purpose: To increase the amount of funds made available for grants and contracts for development of drugs for rare diseases and conditions, with an offset)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. Metzenbaum] for himself, Mrs. KASSEBAUM, and Mr. HATCH, proposes an amendment numbered 2755.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, between lines 8 and 9, insert the following:

For purposes of making grants and entering into contracts for the development of drugs for rare diseases and conditions under section 5 of the Orphan Drug Act (21 U.S.C. 360ee), \$3,400,000 shall be made available, in addition to any other funds made available under this Act, to be derived by transfer of funds made available by this Act to the Commodity Futures Trading Commission to carry out the Commodity Exchange Act (7 U.S.C. 1 et seq.).

Mr. METZENBAUM. Mr. President, I rise with an amendment to increase the funding for orphan drugs. The Federal Government spends billions of dollars every year on thousands of different programs from student loans to star wars. Everyone agrees that we spend far too much on some programs and far too little on others.

No one seems to agree, however, on which programs are worthy and which are worthless.

There is at least one program that enjoys the support of Members on both sides of the aisle.

This amendment which I had sent to the desk in behalf of myself, Senator HATCH and Senator KASSEBAUM reflects the fact that it has broad-based support on all sides of the philosophical as well as political spectrum. It is support for the orphan drug program.

Mr. President, at this time I ask unanimous consent to insert in the RECORD an article by James J. Kilpatrick, the respected conservative columnist in which he talks about Congress' unpretentious program for or-

phaned drugs, an article dated April 26, 1988.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 26, 1988]

CONGRESS' UNPRETENTIOUS PROGRAM FOR
ORPHAN DRUGS

(By James J. Kilpatrick)

Long question: What do a couple of liberal Democratic senators, Howard Metzenbaum and Edward Kennedy, have in common with two conservative Republican senators, Orrin Hatch and Nancy Kassebaum? Short answer: not much.

But hold on. This unlikely quartet teamed up the other day to complete reenactment of one of the best federal acts of recent years. This is the Orphan Drug Act of 1983. You may be properly grateful if you've never heard of it.

A moment's digression: In our business, the news business, we write mostly of the bad things in our society—wars abroad, drug abuse at home, the events that Gibbon termed the crimes, follies and misfortunes of mankind. It was ever thus; and as long as bad is more novel than good, it will stay that way. But the unfortunate result is that good things get crowded out of the news. We feed on controversy and we yawn at serenity. Passage of H.R. 3459 on March 31 didn't make even a ripple in the day's news.

The reauthorization bill, sponsored chiefly in the House by Rep. Henry Waxman of California, continues for three years a modest program of federal grants for orphan drug research. It expands the scope of the program to include research on orphan medical foods and devices.

The whole idea is to encourage development of pharmaceutical products that will benefit those who suffer from afflictions most of us have never heard of. Example: postaxonic myoclonus. It is a terrible disease, characterized by uncontrollable jerking and muscle contractions. It is believed that only 2,000 persons in the United States suffer from these fearful spasms. Because of the act, a drug has been developed that promises relief.

The law provides incentives to drug manufacturers that otherwise would have no reason to interest themselves in such products. Amazingly, medical science has identified an estimated 5,000 rare diseases. By definition, these are diseases that hit no more than 200,000 persons. Roughly 8 million Americans, half of them children, suffer from their effects.

If a manufacturer develops a product useful in their treatment, the company may obtain a seven-year exclusive license for its sale. In addition, the law provides tax credits equal to one-half the cost of clinical testing. The law is an excellent example of cooperation between the federal government and the private sector. This is the kind of thing the states could not do; without the incentives, it is the kind of thing that private enterprise could not be expected to do. Companies are not in business to produce profitless products.

When the Orphan Drug Act was passed in 1983, only 34 drugs were on the market for treating these afflictions. Today, 183 orphan drugs have been designated for testing, and another 24 have been approved for marketing.

An estimated 50,000 paraplegics suffer from kidney infections caused by the constant buildup of ammonia in their urine. A

related disease, known as absorptive hypercalciuria, leads to painful kidney stones. Under the orphan drug program, a product was developed from sodium cellulose phosphate that may be useful in certain cases.

Some of the benefits will go to victims of AIDS who are vulnerable to a fatal form of pneumonia. As many as 60 percent of AIDS patients die as a result. An orphan drug may prolong their lives. Other new drugs treat leprosy, rare gallstones, spasticity, neuroblastoma and testicular cancer. A drug called Mazindol has been developed for the treatment of Duchenne muscular dystrophy. Yet another drug will treat anemia associated with end-stage renal disease.

As a general proposition, conservatives are wary of partnership with government. Bureaucracy has a way of suffocating innovation. Drug manufacturers historically have chafed at the long delays and the monumental costs associated with approval of a new drug for widespread prescription. The quiet and unpretentious program of orphan drugs has provided a heartening exception to the general rule. This program is working exactly as it was intended to work.

Mr. METZENBAUM. In the United States, we know of more than 5,000 different rare diseases that afflict over 8 million Americans—over half of these attack our children.

While we all are aware of Government sponsored research in the battle against cancer, heart disease, AIDS, Alzheimer's disease and others, we do not hear much about the fight against diseases that strike relatively few people.

That is what the Orphan Drug Program is all about.

It gains its title as an orphan drug because there is no one who wants to provide the parentage for it. The drug companies cannot make enough money in manufacturing, producing or doing the research with respect to the drug, and so it sits out there. The illness is there. The problem is there. People are dying from it. People are suffering from these rare illnesses, and the fact is that there is no one who is there to do the research in order to come up with the answer for some of these drugs.

This amendment will put some of the Nation's most talented minds to work on the maladies that we do not hear about every day. What kind of illnesses are these? Illnesses some have heard of if it happened to strike a member of their family or close friend. But otherwise, many people do not know about them.

They have names like Tourette syndrome, cystinosis, Wilson's disease, Marfan syndrome, leukodystrophy, and thousands more.

Mr. President, I ask unanimous consent at this point that I may insert in the RECORD a list of over 50 organizations that support this amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMBER ORGANIZATIONS

Acoustic Neuroma Association; American Narcolepsy Association; American Porphy-

ria Foundation; Amyotrophic Lateral Sclerosis Association; Association of Brain Tumor Research; Association for Glycogen Storage Disease; Benign Essential Blepharospasm Research Foundation, Inc.; Cornelia de Lange Syndrome Foundation, Inc.; Cystinosis Foundation, Inc.; Dizziness and Balance Disorders Association; Dysautonomia Foundation, Inc.; Dystonia Medical Research Foundation, Inc.; Dystrophic Epidermolysis Bullosa Research Association; Ehlers-Danlos National Foundation; Epilepsy Foundation of America; Families of Spinal Muscular Atrophy; F.I.R.S.T.; Friedrich's Ataxia Group in America; Guillain-Barre Syndrome Support Group International; Hemochromatosis Research Foundation, Inc.; Hereditary Disease Foundation; Huntington's Disease Society of America, Inc.; Immune Deficiency Foundation; International Joseph Diseases Foundation; International Rett Syndrome Association, Inc.; Interstitial Cystitis Association of America, Inc.

Jaw Joints & Allied Musculo-Skeletal Disorders Foundation, Inc.; Lowe's Syndrome Foundation, Inc.; Lupus Foundation of America, Inc.; Malignant Hyperthermia Association of the United States; Meniere's Foundation; Mucopolysaccharidoses Research Funding Center, Inc.; Narcolepsy Network; National Addison's Disease Foundation; National Association for Sickle Cell Disease, Inc.; National Ataxia Foundation; National Congenital Port Wine Stain Foundation; National Foundation for Ectodermal Dysplasias; National Foundation for Peroneal Muscular Atrophy; National Gaucher Foundation; National Hydrocephalus Foundation; National Marfan Foundation; National M.P.S. Society, Inc.; National Multiple Sclerosis Society; National Neurofibromatosis Foundation, Inc.; National Organization for Parents of Williams; National Retinitis Pigmentosa Foundation; National Tay-Sachs & Allied Diseases Association; National Tuberosus Sclerosis Association, Inc.; National Vitiligo Foundation, Inc.; Osteogenesis Imperfecta-NCA, Inc.; Paget's Disease Foundation, Inc.; Paralyzed Veterans of America; Parkinson's Disease Foundation, Inc.; Parkinson's Educational Program (PEP-USA); Polycystic Kidney Research Foundation; Prader-Willi Syndrome Association; Reflex Sympathetic Dystrophy Syndrome Association; Sarcoidosis Family Aid & Research Foundation; Scleroderma Info Exchange; Scleroderma Foundation, Inc.; Sjogren's Syndrome Foundation, Inc.; Tourette Syndrome Association, Inc.; United Leukodystrophy Foundation, Inc.; United Parkinson Foundation; Williams Syndrome Association; Wilson's Disease Association.

Mr. METZENBAUM. Let me just mention a few of them: The National Tuberosus Sclerosis Association, Inc.; the National Vitiligo Foundation, Inc.; the Hereditary Disease Foundation; the Huntington's Disease Society of America, Inc.; the International Rett Syndrome Association, Inc.; Lowe's Syndrome Association, Inc.; Lupus Foundation of America, Inc. I mention some of those only to indicate that most people have never heard of these illnesses, but let one of those illnesses affect a loved one in your family, and you will say, "Spend whatever you need in order to find the answer, to do the research." And I think this amendment actually does not go far enough.

There was \$12 million authorized for orphan drug research. This amendment with the amount in the bill, which is \$4.6 million, would only get us up to two-thirds of the amount authorized, \$8 million. I must confess publicly that I am not certain that I am doing the right thing in not asking for the entire amount that has been authorized.

Americans who suffer from rare diseases also suffer from a harsh economic reality.

No pharmaceutical company will make an investment to research and develop a cure for a rare disease when they cannot recover that investment. And I am not here faulting the pharmaceutical companies. They are business organizations, and it is understandable that they are not prepared to spend shareholders' money for the purpose of developing an answer for some rare disease when they know they have to lose money on it because there are not that many people that might be potential purchasers of the drug, drugs that treat rare diseases do not turn a profit. And therefore they do not get developed.

In 1983 we began to change all of that, Congress passed the Orphan Drug Act. The law is twofold. First, it gives drug companies a tax credit to offset costs of research and development. Second, it sets up a special grant program to fund rare disease research.

The grant program was authorized at a modest \$4 million a year.

Yet even that small amount was never fully appropriated.

Since 1984, I have offered amendments in an attempt to bring the grant program up to its full authorization.

We have money for everything under the Sun but for those who have maladies, and do not have powerful lobbyists here to speak up for them, we never have the dollars available.

We made some changes in the orphan drug law this year, and the grant program has been authorized at \$12 million for fiscal year 1989.

In this bill, the program is funded at \$4.6 million.

Our amendment will add \$3.4 million to that total—still far short of the amount authorized. This relatively minor increase, Mr. President, would still bring it up only to two-thirds of the total amount that has been authorized, and could make a major difference; maybe even the difference between life and death.

This year the FDA, the Food and Drug Administration, Orphan Products Board, received 77 excellent grant applications. But they only have enough money to fund 15, about 20 percent of the total number of applications which have been made. Our \$3.4 million amendment will fund 35 more programs next year. Researchers are anxious to begin work on these

terrible disorders but they must have our help, and the 8 million Americans who are suffering from rare diseases today also need our help.

I urge my colleagues to provide it by adopting the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. BURDICK. Mr. President, the purpose of this amendment is to add \$3.4 million to FDA for the purpose of increasing orphan products, grants and contracts. Bear in mind we have provided FDA with the request for its activities which include \$6,800,000 for orphan product development activities. Of this amount, \$4,700,000 is for grants and contracts. We have provided in this bill more than we provided in the 1988 budget. So I think we have not been unaware of the need for this appropriation.

Mr. President, I do not have an argument with the Senator from Ohio wanting to increase funding for the orphan products for the FDA but we do have a problem with the Senator's amendment, not because it increases the amount of money for the Food and Drug Administration, but because it takes away from the Commodity Futures Trading Commission.

I think we all are aware of the rapid growth of the commodities trading in this country which remains open to increased charges for fraud and boiler-room activities. And I think that we have treated the orphan drug matter as well and better than last year, and therefore reluctantly I must oppose the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. COCHRAN. Mr. President, this is a troubling amendment. It adds money for a very popular program and a very worthwhile program. We are confronted with a dilemma because we are at the limit of the allocation for our appropriations subcommittees. If any new money is added to any account there has to be a corresponding subtraction or a diminution in the amount allocated to some other program. The Senator from Ohio makes a very strong and compelling argument for the merits of adding money to the Orphan Drug Program. But what about the need for funds in the other account that he is lowering by this same amendment?

We can remember last year when we were confronted with a serious drop in the value of markets: the Securities and Exchange Commission, the Commodity Futures Trading Commission, and other agencies of our Government got together to try to determine what could be done, what needed to be done, to help protect investors, those who depend upon the stability of markets, from any kind of precipitate decline in values or abuse of those markets by speculators.

A great deal of money in this account for the Commodity Futures Trading Commission carries out mandates of Congress to help protect this important sector of our economy.

I think it would be unfortunate if we were called upon today in the Senate to approve a cut in funding for that agency, and that is one thing the Senator from Ohio seeks to do with this amendment. That is bad, and I hope the Senate will reject it.

I am in favor of adding as much money as we can to the orphan drug research program. I think we should fund it to the maximum extent possible.

There is in this bill an increase in funding for the FDA's activities this year. The AIDS research program is one that is demanding additional attention. The FDA is constantly under pressure to speed up its review process over drug applications for licensing the sale of drugs in this country. They have been criticized for being too slow.

A lot of money in their account is devoted to trying to improve the efficiency of the review process, while still safeguarding the health and wellbeing of those who buy these drugs under the assumption that they are safe, have been carefully reviewed, and will do what the manufacturers say they will do.

I am suggesting to the Senator from Ohio, therefore, that he consider modifying his amendment. Let us suggest to the FDA that they spend additional money from their account for grants in this orphan drug research program, but let us not say in the same amendment that we take it away from any other agency. Let us let the Food and Drug Administration establish these priorities. They are the experts in this area; we are not.

If we, on the floor of the Senate, start picking and choosing among various activities of the FDA and say that the health and wellbeing of American citizens are better served by \$2 million more in one aspect of their operation than another, we are making a big mistake. We are holding ourselves out as greater experts in this area than the Food and Drug Administration, and I do not think there is a basis for that argument.

So I hope that the amendment will be modified to direct the Food and Drug Administration to spend the additional amount for this program, but to allow the Food and Drug Administration to decide, from its appropriated funds, where to secure the funds.

Mr. HATCH. Mr. President, I do not intend to take much time on this. Perhaps I should yield to the distinguished Senator from Ohio to comment about the suggestion by the distinguished Senator from Mississippi.

Mr. METZENBAUM. I will just respond, Mr. President, to my colleague

from Mississippi, that that would not be a satisfactory solution.

In this legislation, the Commodity Futures Trading Corporation is getting an increase—a modest one, I will admit—in the \$25 million or so that they are presently getting. There would be another million dollars added.

Here is a program authorized by the committee at \$12 million. We are not asking to go to the entire \$12 million, but only two-thirds of that amount, which is \$8 million.

Frankly, I have difficulty in comprehending how we can stand here and argue against full funding. We ought to be going to \$12 million for orphan drug research. They are making headway where the research dollars are spent. I think it is the right thing to do.

I yield to the Senator from Utah.

Mr. HATCH. Mr. President, I appreciate the managers of this bill and the effective way they are managing this piece of legislation, but I rise in total support of the position of the distinguished Senator from Ohio.

As one of the principal architects of the orphan drug bill, the original orphan drug bill and every one we have had since, I have to say that there have been very few pieces of legislation that have been as cost conscious as that which have had that much success.

Literally, we are approaching 200 orphan drugs that, prior to this bill, never had a chance of even being considered—just dreamed about by those people in those small groups of afflicted who need help. It has been one of the finest pieces of legislation in the history of this country.

This limited amount of money that the distinguished Senator from Ohio is requesting be transferred from the CFTC, I think, can be handled and can be done. I think the benefits would be so monumental from that amount of money that I hope the two managers of the bill will accept it.

In all my time here, I do not know of any piece of legislation that has worked as well, unless it was the Job Training Partnership Act, which also came out of our committee. Both have had astounding success and helped those who need help and cannot help themselves; and both of them, it seems to me, constitute the type of legislation that all legislators can be very proud of.

I encourage the managers to accept this, and if they do not, I encourage our colleagues to vote for it; because I think it is a small transfer that has monumental implications and tremendous benefits to the people in this society who cannot help themselves and need the blessings that will come from this type of research.

Mr. BURDICK. Mr. President, I think the record should show, before we conclude this debate, that in this budget FDA has an increase of \$56 million.

The PRESIDING OFFICER. Is there further debate?

Mr. METZENBAUM. Mr. President, do I correctly understand the managers of the bill to indicate that the FDA has a total allocation of 500-some-odd-million dollars, which includes a \$56 million increase, and that the managers of the bill are suggesting that we specifically direct the FDA to provide, out of their funds, \$8 million in research grants? Is that what is being suggested? I am not indicating that that is acceptable.

Mr. HATCH. Mr. President, I want to again compliment the managers of this bill. They have done what really is monumental legislation with regard to the FDA revitalization, but that is where the extra money basically goes.

We are trying to revitalize the FDA, coordinate it, get it out of the 23 separate buildings in this town, get it to the state of the art, and the two managers of this bill have been singularly joint leaders in this process, and I compliment them.

However, what the distinguished Senator from Ohio is asking for is little enough. It would benefit the people of this country tremendously, and I hope the managers will consider this. I feel strongly about it. Yet, I have to say that I am tremendously pleased with what the managers of the bill and the other members of the committee have done to revitalize the FDA, which is an important research and regulatory agency in this country today.

Mr. COCHRAN. Mr. President, before responding to the inquiry of the Senator from Ohio, let me first thank the distinguished Senator from Utah for his kind comments about the efforts of this committee to appropriate additional funds for the Food and Drug Administration.

This year we have appropriated in this bill \$534 million for the activities of the Food and Drug Administration for the next fiscal year.

Compare that with last year's appropriation of \$477.5 million.

We have included in this legislation additional funds of about \$56 million for use by the Food and Drug Administration for this next year.

I am hoping that the Senator from Ohio will agree to modify his amendment to provide that the additional funds he is seeking for this grant program, this orphan drug research program, be spent from within the funds available to the Food and Drug Administration.

We could take that suggestion to conference. The House has added funds for the same research program. Their figure, I think, is \$7 million for

this program. We can try to work out an acceptable agreement with the House conferees on the amount for the grant program in conference, and we would be armed with the compelling arguments that the Senator from Ohio has made. The distinguished Senator is a former chairman of the Labor and Human Resources Committee and has worked very closely with legislation authorizing the Food and Drug Administration's programs and conducting oversight of their activities.

I think that is the best solution to the problem we face this morning, and I hope Senators can agree to that.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I appreciate my friend and colleague from Mississippi in his remarks.

Let me just point out that the FDA budget is \$481 million appropriated for this next year. That is 2 percent less than the administration requested.

In addition, I again compliment my colleagues on this committee for the work that they have done to revitalize FDA in this bill which has added additional funds, but the real basic needs for FDA are so monumental and so important to our society that to cut the FDA funds, to take any moneys from that \$481 million would be very detrimental, it seems to me, to the overall functioning of FDA.

If I had my way and was not a fiscal conservative, I would like to add a lot more money to the FDA total budget. But we have to live within our means and we have to prioritize.

Let me just say this to you: This provision to strengthen the Orphan Drug Act basically benefits so many people because not only will it go toward safe and effective orphan drugs but also medical devices, and that is a very, very important step forward, and this amount of money really is needed to accomplish this end.

There is enough money, it seems to us, in the CFTC to transfer these funds for the purpose of augmenting and helping in the progress of the orphan drug bill.

So, I would have to be against taking further funds from the FDA and appropriating them for the orphan drug bill because I think the FDA has been cut back anyway below even what this administration, which is a fiscally responsible administration, had requested and suggested.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, this amendment continues to trouble the managers of the bill. We have tried to discuss options available to the Senate this morning in taking funds from other accounts or in reducing the amount that would come from the Commodity Futures Trading Commission account to try to help fund some additional research grant activity in the Food and Drug Administration.

We all agree that we would like to put more money in that function. That is not the issue. The issue is where the money comes from to provide additional funds.

We are at a point now where the managers are suggesting that the additional funds come from within the Food and Drug Administration's overall activities. For activities of the FDA for next year, \$534 million is appropriated by this bill. Last year they had \$477 million. This is an additional \$57 million.

So I intend to send an amendment to the desk—it is being drafted now—to modify the amendment of the Senator from Ohio to say that the additional grant activity will be funded from within available funds rather than taking money from the Commodity Futures Trading Commission to provide the additional funds for the grant program.

That will be the amendment that will be before the Senate, and I hope the Senate will agree to this second-degree amendment and we can resolve the issue in that way.

I understand that there are other suggestions. We have looked at other options, but we are recommending the method contained in my amendment. We are prepared to recommend that to the Senate, and we hope the Senate will agree to it.

Mr. BURDICK. Mr. President, if there is no one who wishes to speak, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I am happy to announce to the Senate that in the last few minutes, while the amendment I described was being drafted and prepared for sending to the desk, we were able to develop a proposal that we are willing to recommend to the Senate now.

The amendment of the Senator from Ohio originally called for \$3.4 million of additional funds for this grant program at FDA. We are now prepared to recommend to the Senate that we pro-

vide an additional \$3 million for the grant program, that \$2 million be spent from within available funds to the Food and Drug Administration from this bill, and that an additional \$1 million be provided from the account of the Commodity Futures Trading Commission.

If I could ask unanimous consent or if the Senator from Ohio could ask that his amendment be so modified, I do not think there would be an objection to it.

Mr. METZENBAUM. Mr. President, my understanding under the rules is that the Senator from Ohio has a right to modify his amendment. Under those circumstances, I send a modification to the desk.

The PRESIDING OFFICER. It will require unanimous consent.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that I may be permitted to offer a modification to my original amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I send a modification to my original amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes his amendment numbered 2755, as modified.

Mr. METZENBAUM. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 69, between lines 8 and 9, insert the following:

For purposes of making grants and entering into contracts for the development of drugs for rare diseases and conditions under section 5 of the Orphan Drug Act (21 U.S.C. 360ee), \$3,000,000 shall be made available, in addition to any other funds made available under this Act, to be derived by transfer of \$1,000,000 of funds made available by this Act to the Commodity Futures Trading Commission to carry out the Commodity Exchange Act (7 U.S.C. 1 et seq.), and \$2,000,000 made available by this Act to the Food and Drug Administration.

Mr. METZENBAUM. Mr. President, I believe we are ready to act in connection with this amendment. I think we worked out an amicable solution to it, with \$1 million coming from the Commodity Futures Trading Corporation and \$2 million coming from the already allocated funds of the Food and Drug Administration.

Mr. HATCH. Mr. President, I think this is a good compromise, but I am very concerned about \$2 million coming out of the FDA. But we do have an agreement, as I understand it, for all concerned to work hard to see if we can find that money elsewhere in the appropriations process or in this particular bill. I just hope that we can,

because I think that it will cut into the revitalization program or at least will cut into other essential programs that FDA has.

I think FDA is underfunded as it is, but the orphan drug bill is so important that I have to concede to go along with my colleague from Ohio.

I wish to thank the managers of the bill.

Mr. COCHRAN. Mr. President, I thank the distinguished Senators from Ohio and Utah for working with the managers of the bill in the way they have. We will have this under discussion in conference with the House. We will have some opportunities to further refine this portion of the bill. We will consult with these distinguished Senators as we proceed in conference with the House to try to ensure that the Senate's position is reflected by the conference report.

We recommend that the amendment, as modified, be accepted by the Senate.

Mr. BURDICK. We agree on this side.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment, as modified.

The amendment (No. 2755), as modified, was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, let me publicly express my appreciation to the managers of the bill, Senator BURDICK and Senator COCHRAN, and also for the wholehearted support and efforts in bringing about the solution to Senator HATCH. I also wish to thank the Senator from Kansas, Senator KASSEBAUM, who supported the amendment.

AMENDMENT NO. 2756

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for himself, Mr. KENNEDY, Mr. INOUE, and Mr. CRANSTON, proposes an amendment numbered 2756.

At the end of the bill insert the following:

It is the Sense of the Senate that of the amounts made available to the Office of the Assistant Secretary for Health by the matter under the title II of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1989, \$5,500,000 shall be made available to the Food and Drug Administration for increased inspection of our nation's blood banks.

Mr. HATCH. Mr. President, adequate inspection of the blood supply

has always been a critical function of the Food and Drug Administration. Today, with the advent of the AIDS epidemic, that responsibility is more critical than ever before.

But FDA, as I have been pointing out here in this prior debate, it does need resources to match its duties to safeguard the supply of blood to the Nation's hospitals, emergency rooms, and patients. This amendment addresses, it seems to me, the critical need in a very good way.

It is only a sense-of-the-Senate resolution but it gives authority to the Secretary of HHS to provide the needed \$5.5 million to the FDA to carry out this vital duty.

But that is, I think, a pretty important sense-of-the-Senate resolution. I would hope the managers of this bill will take this sense-of-the-Senate amendment because I think this is an absolutely crucial amendment at this particular time and it is absolutely crucial that we get that \$5.5 million to the FDA, and I think as soon as we possibly can.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. We are ready to accept the amendment on this side.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. The Senator from Utah makes a point that needs to be made, and it is that additional efforts should be made by the Food and Drug Administration and other agencies of the Federal Government to assure a safe and healthy supply of blood. This is a problem that needs attention and this amendment will help direct additional attention to this problem.

We recommend the amendment be agreed to.

Mr. HATCH. I thank the managers of the bill. This happens to be a Kennedy-Hatch-Inouye-Cranston amendment and I want to thank Senator KENNEDY for his leadership in this matter and the other Senators, INOUE and CRANSTON, as well. I want to thank the managers of the bill for their kindness in considering this very, very crucial amendment.

I urge the approval of the amendment.

The PRESIDING OFFICER. Is there further debate on this amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2756) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2757

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2757.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

Notwithstanding any other provisions of law, the Secretary of Agriculture is directed to convey by quitclaim deed and without consideration to the University of Alaska all the right, title, and interest of the United States in and to

(1) the lands of the University of Alaska Agricultural Experiment Station, consisting of approximately 16 acres, including improvements thereon, located at Palmer and Matanuska, Alaska, all of which have been utilized for university purposes since October 3, 1967, and

(2) the lands of the University of Alaska Fur Farm Experiment Station consisting of approximately 37 acres, including improvements thereon, located at Petersburg, Alaska, all of which have been utilized for university purposes since May 17, 1938.

Mr. STEVENS. Mr. President, this amendment has already been discussed with the managers on both sides of the aisle and I understand that it is acceptable. The amendment is a simple one. It deals with restrictions that exist on land in Alaska that is being used by the University of Alaska.

The Alaska Agricultural Experiment Station was conveyed to the University of Alaska by the Secretary of Agriculture in 1966 pursuant to Public Law 89-620 (80 Stat. 871). Both the authorizing statute and the quitclaim deed required the university to use the land for "public purposes."

At the time the land was conveyed over 20 years ago, it was located in a rural setting which was ideal for agricultural research. Since that time the city of Palmer has grown up around the parcel and the land now lies in the flight path of the Palmer Airport.

The land can no longer be used for agricultural research because of its urban location, so the university has relocated its research station to a 1,000-acre parcel in a more remote location about 10 miles away.

The university would like to sell the original 15-acre tract and use the proceeds to fund agricultural research projects on the new site, however, it cannot sell the land given the current "public purposes" deed restriction.

The amendment would require the Secretary of Agriculture to issue a new quitclaim deed to the university which would not contain the public purposes restriction. The proposal has no budget impact. The university already

owns the land, so the amendment would not affect land assets currently held by the United States either.

The same provision would apply to land that the university previously used as a fur farm experiment station.

The Alaska Fur Farm Experiment Station was conveyed to the University of Alaska by Congress in 1938 pursuant to Public Law 75-524. The authorizing statute indicated that the land was "for use as the site of a fur farm experiment station."

The university no longer operates a fur farm on the site. The Department of Agriculture currently leases the land for \$1 per year for use as a nursery. Technically, the lease is a violation of the statute which required the land to be used as a fur farm.

The amendment would require the Secretary of Agriculture to issue a new quitclaim deed to the university which would not restrict use of the land. This would make the Department of Agriculture's lease "legal" and would give the university more flexibility in its use of the land.

I ask that this amendment be adopted in order to remove these restrictions. They served their purpose for many years but are now outdated as far as the operation of our university.

The PRESIDING OFFICER. Is there further discussion on the amendment? The Senator from Mississippi.

Mr. COCHRAN. Mr. President, as I understand it, this amendment removes some restrictions on certain lands in Alaska conveyed by the Secretary of Agriculture for an agricultural experimental station and a fur farm. We have reviewed the amendment, which would require the Secretary of Agriculture to issue a new deed. We find no objection to the amendment and recommend that the Senate approve it.

Mr. BYRD. Mr. President, we have gone over the amendment on this side and we have no objection to it.

The PRESIDING OFFICER (Mr. SHELBY). The question is on agreeing to the amendment.

The amendment (No. 2757) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2758

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2758.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

GENERAL PROVISIONS.

SEC. . When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments, shall clearly state (1) the percentage of the total cost of the program or project which will be financed with Federal money, and (2) the dollar amount of Federal funds for the project or program.

Mr. STEVENS. Mr. President, this was discussed generally with the managers of the bill. It is identical to amendments I have been offering to each appropriation bill. It is my feeling that the taxpayers of the United States ought to be informed when Federal money is used on programs or projects by the individual States or cities or private parties and that the amount of the Federal money involved in projects or programs ought to be fully disclosed.

I think that helps carry out the intent of Congress in terms of demonstrating Federal awareness and interest in these projects but it also will reduce the demands on us for Federal funding for some programs if people realize there are already Federal funds in these projects that are going on in the private sector in individual States and cities.

This amendment has been adopted so far in three other appropriation bills this year.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. I would like to ask the Senator from Alaska if he contacted the Agriculture Department on this?

Mr. STEVENS. No; I have not. I have not. In the past it was the policy of the Department of Agriculture but it does not appear to be the Department's policy now. We have similar proposals, as I said, that have been adopted in HHS, Commerce, Labor, and Interior.

Mr. COCHRAN. If the Senator would yield, I can say that we had contacted the Department of Agriculture and asked for their reaction to this amendment. They have no objection to it.

Mr. BURDICK. Do you know of any Department objection?

Mr. STEVENS. I have had no Department objection to it. As a matter of fact, it does not put any burden on the Federal Government. It does put a burden on the grantees that use Federal funds in programs or projects in the private sector, in the State or local

sectors. It does not decrease any funds and it really is not a serious burden.

If the Senator will remember, in the old days we would drive down the highway and we would see signs: "Your Tax Dollars at Work." And it would say how much is State and how much is Federal money. That does not happen anymore and I find in our State we very often get inquiries from people who say: Why do you not get some Federal moneys for this or that? And we look into it and it is Federal money.

I think we ought to have this disclosure of the use of taxpayers' dollars so people will know, generally, what their dollars are being used for.

Mr. BURDICK. We have no objection on this side to the Senator's amendment.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, this would require the disclosure and notification of the extent of Federal participation in grants, programs and projects. We think it is a good amendment and recommend the Senate agree to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2758) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I thank the two managers of the bill for their courtesy and I thank the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, we are making good progress in handling of amendments to this bill. It is now 10 minutes after 11. We still think we can meet a target of finishing this bill around noon. We hope we can.

There are some Senators who indicated that they wanted to call up amendments and we would urge them to do so. We had understood that at about 11 o'clock this morning we would be able to take up an amendment involving the Farm Credit Administration Act that was going to be offered by both Senators from Arkansas, Mr. BUMPERS and Mr. PRYOR.

We had understood there would be a 30-minute time agreement, equally divided on that amendment. We could take that amendment up or we could go to another amendment.

While we are awaiting the arrival of Senators with amendments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. BYRD. Mr. President, we are wasting a lot of time waiting on Senators to come over to call up their amendments. Committees are meeting and so on. It just seems to me like the tail is wagging the dog. They are off to committee meetings, and Senators are waiting and marking time.

So I am going to suggest the absence of a quorum and ask that it be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll and the following Senators entered the Chamber and answered to their names.

[Quorum No. 24]

Burdick	Karnes	Shelby
Byrd	Pryor	Stennis

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of absent Senators.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Texas [Mr. BENTSEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Tennessee [Mr. GORE], the Senator from Hawaii [Mr. INOUE], the Senator from Massachusetts [Mr. KERRY], the Senator from Michigan [Mr. LEVIN], the Senator from Nevada [Mr. REID], and the Senator for Michigan [Mr. RIEGLE], are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN], is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. CHAFEE] and the Senator from Arizona [Mr. MCCAIN], are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 68, nays 20, as follows:

[Rollcall Vote No. 275 Leg.]

YEAS—68

Baucus	Boschwitz	Burdick
Bingaman	Breaux	Byrd
Boren	Bumpers	Chiles

Cochran	Heflin	Pressler
Cohen	Heinz	Proxmire
Conrad	Hollings	Pryor
Cranston	Johnston	Rockefeller
Danforth	Karnes	Roth
Daschle	Kassebaum	Rudman
DeConcini	Kennedy	Sanford
Dixon	Lautenberg	Sarbanes
Dodd	Leahy	Sasser
Dole	Lugar	Shelby
Domenici	Matsunaga	Simon
Durenberger	McClure	Simpson
Exon	Melcher	Stafford
Ford	Metzenbaum	Stennis
Fowler	Mikulski	Stevens
Glenn	Mitchell	Thurmond
Graham	Moynihan	Trible
Grassley	Nunn	Warner
Harkin	Packwood	Wirth
Hatfield	Pell	

NAYS—20

Armstrong	Hecht	Quayle
Bond	Helms	Specter
D'Amato	Humphrey	Symms
Evans	Kasten	Wallop
Garn	McConnell	Weicker
Gramm	Murkowski	Wilson
Hatch	Nickles	

NOT VOTING—12

Adams	Chafee	Levin
Bentsen	Gore	McCain
Biden	Inouye	Reid
Bradley	Kerry	Riegle

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

The majority leader.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, if I could have the attention of Senators, I think it would be reasonable to believe that the Senate could have finished work on this bill today by 2 o'clock and we could all leave the Chamber. But we cannot get Senators over to call up their amendments. So there will be objections to committees meeting the rest of the afternoon.

There is no point in having committee meetings when we cannot get Senators over here to the parent body. That is the tail wagging the dog. So there will not be any more committees meeting.

If Senators could call up their amendments, we could finish action on this bill fairly soon this afternoon.

I thank all Senators.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 2759

(Purpose: To increase the amount made available for the Special Supplemental Food Program for women, infants, and children [WIC], with an offset)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Arizona (Mr. DeConcini), for himself, Mr. CHAFEE, Mr. BRADLEY, Mr. BUMPERS, Mr. COHEN, Mr. CONRAD, Mr. DANFORTH, Mr. DASCHLE, Mr. MCCAIN, Mr. DODD, Mr. HEINZ, Mr. HOLLINGS, Mr. JOHNSTON, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. MATSUNAGA, Mr. MOY-

NIHAN, Mr. RIEGLE, Mr. SASSER, Mr. SHELBY, Mr. SIMON, Mr. SPECTER, Mr. STAFFORD, Mr. WEICKER, and Mr. D'AMATO, proposes an amendment numbered 2759.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . (a) There is appropriated \$30,825,000 for necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), to remain available through September 30, 1990.

(b) Notwithstanding any other provision of this Act, in addition to the reduction required under section 643, each appropriation item made available under this Act shall be reduced by 0.7 percent of the original item, rounded to the nearest thousands of dollars, except for programs scored as mandatory during fiscal year 1989 and amounts made available for Public Law 480, the Farmers' Home Administration, the Rural Electrification Administration, the conservation reserve program, the commodity supplemental food program, and the supplemental food program for women, infants, and children.

(c) Section 643 shall not apply to the amount made available by subsection (a).

Mr. DECONCINI. Mr. President, on behalf of 26 of my colleagues here and in particular the original cosponsor, the Senator from Rhode Island, Senator CHAFEE, I am offering today an amendment to restore a measure of what we consider sanity and compassion back into the agriculture appropriation bill for fiscal year 1989. This amendment simply requests that Congress not breach its promise to protect America's most vital resources, its children.

Mr. President, this amendment is simply one of priorities. It asks that the Senate keep its word to the over 4 million unserved yet eligible women, infants, and children who make up the most vulnerable and needy in America today, those truly America's poor.

I am quite frankly sick about the reduction in the WIC Program this year. It is not my intention to criticize or discount the efforts of any of my colleagues on the Appropriations Committee.

The budget summit constraints upon each of the subcommittee chairmen necessitated severe cuts in many programs. For the most part, I commend each committee chairperson for meeting his challenge head on and delivering bills that conform with the subcommittee's allocation.

Senator BURDICK is certainly no exception to this. He has been a strong supporter of the WIC Program over the years and he has had a difficult bill to manage.

Also the Senator from Mississippi, Senator COCHRAN, has been a strong supporter.

However, there is a real problem here that we have to bring to the floor and we have to resolve. A health drought is consuming the children in our Nation today and the strength of the future of this great Nation. It is a problem that must be addressed and we must do something about it, and that is what this amendment is all about.

Therefore, I am compelled, notwithstanding my greatest respect for the chairman and the ranking member and my compliments to them for putting together a fine bill, to raise this issue again and to let the Senate, hopefully, work its will and, hopefully, pass this modest amendment.

I firmly believe that if we fail today to substantially increase appropriations for WIC, we will have breached the spirit, if not the letter, of our commitment to maintain a social safety net for the poor and disadvantaged.

In practical terms, we as a nation will be spending as much as three times more for medical costs down the line if we do not spend a little over a dollar each day to assure proper nutrition for poor and high-risk pregnant women and their infants.

These costs will not occur at some unknown point in the future. These are real costs that will, not might occur within this year.

A study conducted by the Missouri Department of Health found that for every dollar spent on the prenatal component of WIC, about 49 cents in Medicaid costs were saved during the first 45 days after birth. In addition, a Harvard Public Health School study found that every WIC dollar spent on the prenatal component saves another \$3 in hospitalization costs.

Quite frankly, WIC is an investment we really cannot afford not to make. Without additional WIC appropriations, Federal Medicaid appropriations will be much higher than they would be with this appropriation and more States and local governments will have to raise additional revenues to offset budget-busting indigent medical care costs that will occur this year and beyond if we fail to adopt this amendment.

I have heard some say the WIC doesn't deserve a substantial increase this year because it received a large increase last year.

However, those who espouse that opinion are in the minority.

Nearly 60 Senators joined me in sending a letter to the subcommittee chairman supporting an increase of as much as \$150 million over current services for WIC, the amount included in the final budget resolution. Sixty Members believe there should be an increase for WIC, and they believe it should be as much or more than the

\$100 million over current services which was added in last year's Agriculture appropriations bill.

In addition, I think it should be noted here that substantial growth in WIC since 1979 was indispensable to just get to the point where we are today. According to the U.S. Department of Agriculture, only 26.8 percent of those pregnant women, infants, and children who were eligible for WIC were served in 1979. Ten years later, WIC still serves less than half of those eligible, and the number of eligible continues to grow faster than WIC appropriations. According to the Center for Budget Policies and Priorities, the number of poor children age 5 or under who live in poverty has grown by 1.4 million since 1979.

In addition, we would note that the current services level to which we are referring was developed by the Congressional Budget Office [CBO] last winter and was based on CBO's forecasts at that time. The current services estimate does not reflect the effects of the drought, which will raise food prices for WIC food items such as cereal—and thereby significantly increase the cost of providing WIC for each participant above that estimated by CBO last winter. If WIC food costs simply rise by 1 percentage point more than CBO had forecast—which is likely—the entire \$14 million increment above current services will disappear—and the WIC funding level for fiscal year 1989 will actually be below, not above, current services levels.

Mr. President, I ask unanimous consent that the letter to Senator BURDICK, dated June 7, 1988, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, June 7, 1988.

HON. QUENTIN N. BURDICK,

Chairman, Subcommittee on Agriculture, Rural Development and Related Agencies, Committee on Appropriations, Senate Dirksen Office Building, Washington, DC.

DEAR MR. CHAIRMAN: As the Agriculture Subcommittee prepares to consider the appropriations for FY 1989, we urge the Subcommittee to appropriate \$2.024 billion for the WIC program (the Special Supplemental Food Program for Women, Infants and Children). This is the amount (\$150 million over the CBO current services level for FY 1989) assumed in the conference agreement on the FY 1989 Budget Resolution for the WIC program.

This increase is assumed in the budget to enable WIC to reach more low-income pregnant women, infants and children who are certified as "at nutritional risk". This highly effective program still reaches less than half of those eligible due to funding restrictions.

While we recognize the need to reduce the federal deficit, there is a growing consensus on the need to invest in preventive, cost-effective and highly successful programs like

WIC. Last fall, the Committee for Economic Development, a distinguished organization representing over 200 of the nation's leading corporate executives and educators, issued a report calling for increased investments in early childhood intervention programs for poor children, including the WIC program. The report, *Children in Need: Investment Strategies for the Educationally Disadvantaged*, notes that WIC produces a "reduction in infant mortality and low birthweight infants." The report calls on the nation to accord "the highest priority to early and sustained intervention in the lives of disadvantaged children."

The preventive and cost-effective nature of the WIC program has been demonstrated clearly in a number of evaluations. WIC has a marked success rate in reducing infant mortality, low weight births and premature births, and improves the cognitive and physical development of young children. In addition, every dollar spent on the prenatal component of WIC averts Medicaid and hospitalization costs.

As you are aware, the House Appropriations Committee recently approved its version of the FY 1989 Agriculture Appropriations bill, which includes an increase of just \$53 million over current services for WIC—about one-third of the increase envisioned in the budget resolution. We understand that the House Subcommittee had a very tight preliminary 302(b) allocation, limiting funds available for increases in WIC. Moreover, the House Appropriations Committee apparently must reduce the 302(b) allocations by a total of approximately \$2.0 billion in budget authority to comply with the budget conference agreement.

The Senate Agriculture Subcommittee's allocation, on the other hand, appears to be significantly higher than the original House Subcommittee allocation—in the range of \$700 million to \$1 billion higher in both budget authority and outlays. We are hopeful that this larger allocation will allow the Senate Agriculture Subcommittee to provide the most or all of the full \$150 million increase over current services assumed in the budget agreement.

Last year, a number of us wrote to you expressing strong bipartisan support for increased funding for the WIC program. We commend you for your responsiveness to our concerns and your continuing strong support for the program.

Despite the progress that has been made in WIC in recent years, however, the unmet need for WIC nutrition benefits remains so large that we believe the further expansion envisioned in the bipartisan budget resolution is both appropriate and necessary. As strong supporters of the WIC program, we hope that the Subcommittee will provide the full amount assumed in the conference agreement in the budget resolution. We believe that investing in the WIC program is one of the most effective and useful ways to utilize scarce federal resources.

Sincerely,

SENATOR DENNIS DECONCINI
(With 58 Senators' Signatures).

Mr. DECONCINI. Mr. President, in 2 days 59 Senators signed this letter, and two others, Senator MATSUNAGA and Senator CONRAD, indicated they would have signed the letter after it had been sent. That effort in itself underscores the vast support for this program and its continued growth. This increase is not just for the sake of an increase. This program is the model,

not a model, for what the Federal Government can achieve in long-term savings when it invests money in cost-effective, targeted and preventive programs for its children.

The success of this program speaks better than the Senators, including this Senator, who signed this letter. When the esteemed Senator from Minnesota, Senator Hubert Humphrey, introduced the first WIC bill, he knew that it was among the wisest investments a nation could make in its people. Shortly before his death, our colleague, friend, and mentor summarized the philosophy behind the program; he said:

Improving the nutrition of pregnant women and children is the surest and most direct way to protect the future of these individuals as well as that of the nation.

Today, the seed which Senator Hubert Humphrey sowed has borne the fruit of which this great American so eloquently spoke. Study after study has indicated that WIC makes a significant contribution to the health of pregnant women and young children and that the program is cost-effective. Now, it is not this Senator's intention to consume the next few hours reiterating the results of each of the studies completed to date. I will instead only cite the findings of one more of the leading researchers in the area of pediatrics. Dr. David Rush, of the Albert Einstein Medical School, is one of the Nation's leading researchers in pediatrics. Dr. Rush conducted an extensive medical evaluation of WIC. This study, conducted over a number of years, represents one of the most comprehensive evaluations ever conducted of a Federal social program. This study found that WIC reduces fetal deaths, reduces prematurity, increases head circumference—which reflects brain growth—in infants born to WIC mothers, improves children's cognitive abilities, increases the number of pregnant women seeking prenatal care early in their pregnancies, and improves diets of participants. More importantly, these results also showed those at greatest risk, minority women and women with less education, and children who are very poor, short, black, or in female-headed families, derived the greatest benefit from WIC.

I must say there are many, many reports along this line that I could submit for the RECORD to indicate how the infant mortality rate goes up, the infant problems after birth are exaggerated, and there is even brain damage which results from the lack of good nutrition.

Mr. President, I ask unanimous consent that an editorial from the New York Times dated June 24 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 24, 1988]

WHEN CONGRESS TAKES CARE OF KIDS

Unmet needs of America's poor children grow more manifest each year, yet it is unrealistic to expect big funding increases for child welfare in an era of huge budget deficits. But Washington dares not overlook the need for steady if small increases. Even modest new investments offer long-term payoffs of increased productivity and reduced crime and dependence.

Congress applies that lesson unevenly in the 1989 Federal budget. The Senate and House Appropriations subcommittees have voted modest increases in the block grant for prenatal services to low-income women. And Head Start, the preschool program that helps guarantee later school success, would receive an additional \$44 million.

Even now, Head Start serves barely 20 percent of eligible children, and the increase isn't enough to cover inflation. The Senate did have the good sense, however, to add \$20 million for a new initiative: establishing up to two dozen comprehensive child development centers. They would provide intensive health and other services to children in poor families from birth to kindergarten. Such concern for young children, however, has not loosened purse strings sufficiently for WIC, the program of aid for women, infants and children. WIC offers supplemental food to those vulnerable to malnutrition, helping to reduce infant mortality and increase birth weight. Though WIC's success is well demonstrated, four million eligible remain unserved.

Earlier this month, 59 senators urged that an additional \$150 million over inflation be provided to fund WIC next year. But the House of Representatives finally allocated only about \$33 million more than inflation. The Senate Appropriations Committee approved only \$15 million more than inflation, barely enough to add 30,000 more women and babies to WIC's rolls.

As this program moves to a full Senate vote, a few senators will offer an amendment to increase WIC funding by up to \$60 million. Senators who have voted prudent increases in other early-childhood programs ought to see the wisdom of similar help for WIC.

Mr. DECONCINI. Mr. President, the essence of this editorial is that Congress takes care of kids, it takes some "prudent" action toward children. This is not just an emotional pitch, although it is hard to get away from that when you are talking about feeding poor children and pregnant women.

The editorial, I believe, correctly articulates that "Washington dares not overlook the need for steady if small increases" in this particular program. The editorial specifically refers to Federal appropriations for Head Start and for WIC. It further states that "even modest new investment offer long-term pay-offs of increased productivity and reduced crime and dependence."

Mr. President, I again ask unanimous consent that the following letters from the national and international hunger and nutritional organizations, specifically the American Dietetic Association, National Association of WIC Directors, Results, Food Re-

search and Action Center, American Medical Student Association Foundation, Public for Food and Health Policy Voice, and the March of Dimes, be printed in the RECORD at this time.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

**THE AMERICAN DIETETIC
ASSOCIATION,**

**DIVISION OF GOVERNMENT AFFAIRS,
Washington, DC, May 26, 1988.**

HON. DENNIS DECONCINI,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR DECONCINI: The American Dietetic Association (ADA) believes it is essential that legislation governing child nutrition programs be continued, enhanced and available to all children, regardless of economic status. These programs have been shown to be directly related to improvements in dietary intake and nutritional health.

As a member of the Senate Committee on Appropriations, your decision will have a direct impact on the number of needy individuals served by the Special Supplemental Foods Program for Women, Infants, and Children (WIC). The Association urges you to support appropriations for the WIC program of at least \$150 million over current services.

An increase of \$150 million over current services is a moderate request considering the need to expand participation in the program. Nationally, the WIC program currently serves only about 45 percent of eligible women, infants, and children. The goal of the WIC Food For Life resolutions (S.J. Res. 99 and H.J. Res. 192) to provide appropriations for FY 1989 "sufficient to enable 55 percent of eligible women, infants, and children to be served" cannot be achieved without this requested appropriation level. ADA is a supporter of the Resolutions. Additionally, the WIC program has been shown to be effective in promoting good nutrition, reducing low birth weight, and saving three dollars in future health care costs for every dollar spent by the program.

Please feel free to contact the ADA Washington office for more information. Your efforts to support this beneficial, cost-effective program are appreciated.

Sincerely,

PATTI R. BLUMER,
Assistant Executive Director
for Government Affairs.

**NATIONAL ASSOCIATION
OF WIC DIRECTORS,**
June 13, 1988.

Senator DENNIS DECONCINI,
U.S. Senate, Washington, DC.

DEAR SENATOR DECONCINI: On behalf of the National Association of WIC Directors, we are writing to express our grave disappointment with the Senate Subcommittee FY 1989 appropriation level for the WIC program, and to seek your support for efforts to increase the appropriation during full Committee consideration.

The Senate Agriculture Subcommittee bill provides an increase over the amount needed to maintain the current caseload by \$53 million. As you know, the final congressional budget resolution for FY 1989 called for an increase of \$150 million over inflation. We also understand that a bipartisan majority of the Senate, including 13 members of the Appropriations Committee, sent

a letter to Chairman Burdick supporting the \$150 million increase.

We are particularly concerned about the Senate appropriation level for WIC in light of action taken by the full House Appropriations Committee last week. We understand that the original FY 1989 agricultural appropriations bill provided \$53 million over current services—roughly one-third of the budget resolution level—but that the Subcommittee had to reduce its overall funding, and lowered the increase for WIC to \$33 million over current services. If, as usual, the conference on the House and Senate appropriations bills splits the difference on WIC, this would leave the final funding level \$10 million below the Senate Subcommittee level.

There is widespread recognition of the tremendous success WIC has had in reducing infant mortality, low birth weight babies and other health problems. Moreover, as you know, WIC helps solve the critical problems in a highly cost-effective manner. Despite this accomplishment, the program continues to serve less than half of those eligible pregnant women, infants and children due to funding restrictions.

There is also widespread bipartisan support to invest additional federal resources in the WIC program. We urge you to work with Chairman Burdick and other members of the full Appropriations Committee to increase the WIC appropriation beyond the Subcommittee level.

Sincerely,

LOREN BELL,
President, National Association of WIC
Directors.

ALICE LENIHAM,
Vice President, National Association of
WIC Directors.

GENERATING POLITICAL WILL TO END HUNGER
JUNE 16, 1988.

Attn: Tim Gearan.
Senator DENNIS DECONCINI,
SH-328 Hart Building, Washington DC.

DEAR SENATOR DECONCINI: In the capital of our nation, the wealthiest country in the world, infants are dying at rates higher than in Cuba. Pregnant women in the United States are unable to maintain nutritional levels essential to their own sustenance and to the development of their growing fetuses. In our country healthy children are not achieving their full potential because they lack essential food stuffs required for proper neurological development.

Our children's future is our future, as a society, as a nation, and as a species. As citizens of the wealthiest country on the planet, we must ensure that our children are kept healthy and thus well fed.

As you know, the Special Supplemental Food Program for Women, Infants and Children (WIC) is committed to the goal of maintaining the health and well being of low-income women, new mothers, infants and pre-school children at nutritional risk. It provides essential food products and nutrition counseling to those who are economically needy (with an income no greater than 185 percent of poverty level) and medically determined to be undernourished. Equally important, the program is financially savvy. Each dollar spent on the WIC prenatal component potentially saves three dollars in health care and hospital costs, according to a Harvard School of Public Health study.

With a program as economically and socially effective as WIC, it is unconscionable that only 47 percent of those needing its services are able to receive them. More than

four million people drastically need the food services of WIC but, because of inadequate funding, are unable to receive them.

This year the Senate Appropriations Committee has the opportunity to help WIC reach those women, infants and young children who need its nutritional support. We ask that you support any amendment to increase WIC funding to the level allowed by the Budget resolution of \$150 million over current services. This represents only a four percent increase in its funding, but a significant step towards ending unnecessary tragedies a non-nutritional diet poses to mothers and small children in our country.

Thank you for your consideration.

SAM HARRIS,
Executive Director.

FOOD RESEARCH AND ACTION CENTER,
June 15, 1988.

HON. DENNIS DECONCINI,
Committee on Appropriations,
U.S. Senate, Washington, DC.

DEAR SENATOR DECONCINI: I am writing to urge your support for \$2.024 billion for the Special Supplemental Food Program for Women, Infants and Children during your committee's markup of the Fiscal year 1989 appropriations bill for the Department of Agriculture. This is the amount assumed in the conference agreement on the FY 1989 Budget Resolution for the WIC Program.

The WIC Program was designed to safeguard the health and nutritional well-being of our nation's women, infants and children during critical growth periods. Recent studies by USDA, the Harvard School of Public Health, and the Missouri Department of Public Health have documented that WIC reduces the incidence of fetal death, low birthweight and premature birth, improves cognitive development, and significantly averts hospitalization and Medicaid costs. WIC participation is also associated with an improved dietary intake of protein, calories and other nutrients often inadequate in the diets of low-income women and young children.

The WIC Program currently serves approximately 3.5 million women, infants and children, less than half of those eligible. An increase above inflation of \$150 million, for a total of \$2.024 billion, will allow 300,000 more participants to be added to the program. As you are aware, the Senate Agriculture Appropriations Subcommittee included only \$53 million in new money for supplemental nutrition for women and young children in their markup on June 9. This amount is only about one-third of the increase envisioned in the budget resolution, which means 200,000 people will not be able to be added to this vital nutrition program.

The House Appropriations Committee recently approved its version of the FY 1989 Agriculture Appropriations bill, which includes an increase of just \$33 million over current services for WIC. This amount will allow for only 60,000 new WIC participants. If in conference, the House and Senate split the difference, the increase would be only \$43 million above current services—less than the Senate Subcommittee's original number.

The Senate Agriculture Subcommittee's allocation, on the other hand, appears to be significantly higher than the original House Subcommittee allocation—in the range of \$700 million to \$1 billion higher in both budget authority and outlays. This larger allocation will allow the Senate Appropriations Committee to provide the most or all of the full \$150 million increase over cur-

rent services assumed in the budget agreement.

We urge you to support the full \$2.024 billion for WIC assumed in the conference agreement in the budget resolution. Thank you for your consideration.

Sincerely,

ROBERT J. FERSH,
Executive Director.

THE AMERICAN MEDICAL
STUDENT ASSOCIATION/FOUNDATION,
Reston, VA, June 15, 1988.

HON. DENNIS DECONCINI,
Hart Office Building,
Washington, DC.

DEAR SENATOR DECONCINI: The American Medical Student Association (AMSA) represents over 28,000 members at 148 medical schools throughout the United States. On behalf of AMSA, we would like to make a plea for your assistance in securing a \$150 million increase in appropriations for the Special Supplemental Food Program for Women, Infants and Children (WIC).

WIC is an effective solution to the problem of increasing infant mortality in America. Low birth weight is the factor most commonly associated with infant mortality, and a study sponsored by the USDA has shown that enrollment in WIC correlates directly with decreased incidences of low birth weight newborns and fetal deaths. In addition, a study conducted by the Missouri Department of Health demonstrated that participation in WIC decreases medical costs in the first 45 days of life: for every 1.00 dollar invested in WIC, 3.00 dollars of medical costs are saved.

At the current level of funding, WIC reaches 3.4 million at-risk children and pregnant women. Unfortunately, current WIC recipients represent less than one-half of the number of eligible children and pregnant women. If the FY 89 appropriations for WIC are increased by \$150 million, an additional 300,000 recipients will be able to enter into this worthy and cost-effective program.

The United States of America has one of the highest infant mortality rates of any developed nation in the world. Please help to change this disgrace by increasing funds for WIC.

Sincerely,

CINDY OSMAN, M.D.,
National President.

PUBLIC VOICE FOR FOOD AND
HEALTH POLICY,
Washington, DC, June 8, 1988.

DEAR SENATOR: Public Voice for Food and Health Policy, a nonprofit consumer research, education and advocacy organization concerned with food and nutrition issues, urges you to increase WIC funding by \$150 million dollars above inflation.

Each year in the United States, approximately 40,000 infants die before reaching their first birthday. After decades of consistent and rapid improvement in national infant mortality rates, progress has come to a virtual standstill in recent years. Moreover, 17 other industrial countries have fewer infant deaths each year than the U.S.

WIC effectively reduces low birthweight; a major cause of infant mortality and physical and mental disabilities. Low birthweight births involve serious economic as well as social costs to our nation. Each low birthweight infant costs as estimated \$13,616 (1984 dollars) for initial hospitalization; 92% of these infants survive and, on an average, require \$1,025 of additional hospital care

during their first year of life. In addition almost 20% of the low birthweight babies suffer long term physical or mental disabilities, which will require, on an average, an additional \$1,405 in medical care alone for each subsequent year of life.

We urge you to increase WIC funding by \$150 million dollars above inflation. It seems a small price to pay to improve the quality of life for 300,000 impoverished young Americans and their mothers and to continue to save lives and millions of dollars in medical expenditures.

Sincerely,

ELLEN HAAS,
Executive Director.

DIANE HEIMAN,
Esquire, Director of
Government Affairs.

MARCH OF DIMES BIRTH DEFECTS
FOUNDATION, NATIONAL PUBLIC
AFFAIRS OFFICE,
Washington DC, July 6, 1988.

HON. DENNIS DECONCINI,
U.S. Senate,
Washington, DC.

DEAR CHAIRMAN DECONCINI: The March of Dimes Birth Defects Foundation urges you to support the proposed DeConcini-Chafee amendment to the Agriculture Appropriations bill. The amendment would increase funding for the WIC program (Supplemental Food Program for Women, Infants, and Children.)

WIC is widely acclaimed and supported for its effectiveness in reducing low birthweight and infant mortality, and for improving maternal and child health. The program is cost-effective: every \$1 invested in the prenatal component of WIC saves as much as \$3 in hospital costs. The savings in human terms from reducing the tragedy of infant death and from improving maternal and child health are immeasurable. Sadly, WIC reaches less than half of the low-income pregnant women and young children who are at nutritional risk.

Investing in mothers and children is one of the most effective ways to improve their health and reduce future medical costs.

Sincerely,

ANNE HARRISON-CLARK,
Vice President for Public Affairs.

Mr. DECONCINI. Mr. President, I note also for the RECORD that this amendment is supported by the following organizations:

American Academy of Pediatrics.
American College of Nurse Midwives.
American Dietetic Association.
American Home Economics Association.
American Jewish Committee.
American Nurses' Association.
American Public Health Association.
Association of State and Territorial Health Officers.
Bread for the World.
Catholic Charities (USA).
Center on Budget and Policy Priorities.
Children's Defense Fund.
Child Welfare League.
Church Women United.
Consumer Federation of America.
Consumer's Union.
Council of Jewish Federations.
Food Research and Action Center.
Friends Committee on National Legislation.
Gray Panthers.
Interfaith Foundation for Economic Justice.

Jesuit Social Ministries, National Office.
Lutheran Office of Government Affairs.
National Association of Social Workers.
National Congress of American Indians.
National Council of Churches of Christ in the U.S.
National Farmers Union.
National Perinatal Association.
NETWORK—A Catholic Social Justice Lobby.
Parent Care.
Physician Task Force on Hunger in America.

Presbyterian Church (USA).
Public Voice.
Results.
Southern Governor's Association.
Southern Perinatal Association.
The Association of Junior Leagues, Inc.
The National PTA.
The Unitarian Universalist Association of Congregations in North America.
Union of American Hebrew Congregations.
United Church of Christ Office of Church in Society.
United States Catholic Conference.
U.S. Conference of Local Health Officers.
U.S. Conference of Mayors.

Mr. President, this amendment simply adds approximately \$31 million more than the amount in the bill as passed by the Appropriations Committee. The offset is required to increase those served by WIC by a meager 1.5 percent to about 48.5 percent of those eligible. So even if my amendment passes, we will still fall short of our goal to serve at least 50 percent of those who are eligible.

The proposed cut specifically is an across-the-board cut in most discretionary spending in the bill. I realize that is difficult, Mr. President. I do not stand here with any joy and satisfaction of cutting anything. The proposed cut does exempt all appropriations in the bill for the Farmers' Home Administration, Rural Electrification Administration and Conservation Reserve Program accounts, Public Law 480, Food for Peace, the Commodity Food Supplemental Program, any drought assistance funding, and the WIC Program itself.

Other than that, my cosponsors and I recognize the seven-tenths of 1 percent cut is something that nobody would like to do. But I think it is important, Mr. President, that we face this and make a priority. There are so many priorities in this bill, but to me the capability of this country to administer nutrition and food to infants, young children, and pregnant women has to be No. 1.

The bottom line is that the WIC Program must have some increase, however small. Without this added money, we are risking taking food from the mouths of women and children currently in the program. I cannot stress enough that we cannot afford to take this risk—such a decision would be very much penny wise and pound foolish.

We are only asking that we make small progress this year toward our previous goal to serve almost one out of two eligible pregnant women, infants, and children. Unfortunately, the amount required to meet the 50-percent goal is nearly three times what we have asked for in this amendment. We all know that large of an increase, despite its merit, does not appear to have the necessary support, although I would not hesitate to try to offer that, quite frankly.

I have worked with a number of Members here, including the ranking member and the chairman of the subcommittee, with the hopes of trying to get to 50 percent, but we were unable to do that.

With the support of our colleagues here, with the almost 60 Senators who signed the letter indicating this, I hope that they are prepared to join me and Senator CHAFFEE to come forward and make a modest increase and demonstrate that, though we cannot supply even 50 percent, we are willing to make this a top priority.

So, once again, I thank Chairman BURDICK and Senator COCHRAN and their staffs, especially Rocky Kuhn for his invaluable expertise in this effort. Though they have not been able to agree and totally accommodate this Senator, they have certainly done everything they can do facilitate this.

I also wish to thank Tim Gearan in my office who has worked tirelessly to put this together.

I hope, Mr. President, that we could have a vote on this in a short time. Senator CHAFFEE will be here shortly. I would like to hold the vote, if possible, until he can get here. He has been a strong moving force in this area.

Mr. DASCHLE. Mr. President, I rise in support of the amendment.

Mr. President, I represent a highly agricultural State. Many of the programs and projects that would be cut under this amendment would have either direct or indirect benefits for farmers in my State. Still, I think it is a very important amendment, and I strongly support it.

WIC is one of the great success stories in this history of Federal health and nutrition programs. Several of my distinguished colleagues have already described the growing body of evidence that supports this assertion.

Let me just emphasize a few of what I consider to be the most dramatic findings:

The WIC Program reduces infant mortality. One study found that participation in the program contributed to a reduction in the fetal death rate of over 20 percent. Over 20 percent.

A study by the Harvard School of Public Health found that WIC reduces the incidence of low birthweight, a finding that was later confirmed by the General Accounting Office. GAO found that when low income pregnant

women participate in this program, the number of low birthweight babies is reduced from 16 to 20 percent.

The cost-saving consequences of such effects are equally dramatic. One oft-cited study found that for each dollar spent on the prenatal component of WIC, we save \$3 in hospitalization costs. A different study found that every dollar spent on the prenatal component saved 50 cents in Federal Medicaid costs during the first 45 days alone.

Clearly this is a cost-effective program. If only a fraction of Federal programs enjoyed the cost-benefit ratio of this one, we would not have the deficit problem that we have today.

But far, far more important than its cost effectiveness, far more important than the Medicaid dollars that the WIC Program saves, is what it saves in terms of the human potential that might be otherwise lost. We are talking here about the lives and well-being of young children; we are talking about their ability to thrive physically and develop mentally. Scientific studies and cost-benefit ratios do not capture such things. But we cannot in good conscience as legislators neglect them.

Mr. President, I would like to conclude by commending my distinguished colleague from North Dakota, who chairs the subcommittee and has been such a leader in the area of agriculture. I would likewise commend the Senator from Mississippi, the ranking minority member, and the many other Senators who worked so hard in crafting an excellent appropriations package. They have done an outstanding job, working under difficult budgetary constraints. I do not believe that we should here attempt to make major changes in the excellent package that is before us. But I do believe that this modest change is warranted. I urge my colleagues to support this increase in the appropriation for the WIC Program.

The amendment offered by the Senator from Arizona is an excellent amendment.

We cannot be rewriting the entire agriculture appropriation bill on the floor. Certainly, the distinguished Senator from North Dakota and the distinguished ranking member from Mississippi have done an excellent job in putting together what is a very difficult appropriation bill under tight budgetary constraints.

But the fact is that this recommends a very moderate change. It recognizes a program that perhaps has more impact on children than anything else we do in the budget. It recognizes not only its effectiveness with children, but the tremendous amount of efficiency we save in taxpayer dollars in the long run by investing in WIC at the appropriate time.

Study after study have indicated that each dollar spent on prenatal components of WIC saves \$3 in hospitalization costs. Studies have shown that every dollar spent on prenatal components saves 50 cents in Federal Medicaid costs during the first 45 days alone.

So while we may be committing to a significant additional amount of money in this regard, the money that we save in long-term costs, both in hospitalization and Medicare and Medicaid, makes a very compelling case for this amendment.

So I compliment the author of the amendment, the Senator from Arizona, and I certainly commend our ranking member and the chairman for the work they have done in trying to work out something in resolving this matter.

I hope that the Senate will see fit to adopt the amendment at the appropriate time.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BURDICK. Mr. President, the argument has been made that in order to provide expansions of WIC Program participation, it is necessary to increase the program by \$150 million over current services. And I think everyone should know that there is an increase asked for of \$150 million. This amount is \$222 million over the 1988 appropriated level.

As a result of committee action, the WIC increase over the 1988 appropriated level is \$86 million, or only \$14 million over the 1989 revised baseline. It should be noted, however, that the dramatic savings of potentially \$200 to \$275 million to the WIC Program as a result of the infant formula rebates is not a part of the "current services" argument.

When looking to current services to justify a greater increase for the WIC Program than the committee was able to provide perhaps we should look to other programs funded by the Subcommittee on Agriculture, Rural Development and Related Agencies to see how they fare.

The Animal and Plant Health Inspection Service is responsible for detecting and eradicating disease and pests that threaten our livestock and crops. The recommended 1989 appropriation for APHIS is \$321 million, \$24 million less than the CBO current services baseline.

The Cooperative State Research Service is the Federal coordinating agency for research in agriculture at universities and land-grant institutions throughout the country. Funding for CSRS in 1989 is recommended at \$299 million, almost \$17 million less than current services.

The Food Safety and Inspection Service assures that meat and poultry is safe for the American consumer. The FSIS 1989 appropriation of \$397 million, is \$8 million less than needed to support current services.

Rural water and waste disposal grants provide low income rural communities with resources for protecting their water systems from contamination. Funding in 1989 is recommended at \$107 million, over \$6 million less than needed to support current services.

Watershed and flood prevention operations conducted by the Soil Conservation Service are recommended at \$168 million; this is almost \$5 million less than needed to maintain current services.

The Food and Drug Administration has primary authority over the approval and safety of medical devices, medications, foods, and many other products. Its activities in 1989 are recommended for funding at \$483 million (not including AIDS-related activities). This is over \$17 million less than necessary to support current services.

Food and Nutrition Service commodity programs for the elderly and Indians living on reservations are proposed at \$195 million in 1989; this is over \$6 million less than current services.

If any argument is to be made to justify a program increase based on current services, it is my hope that Senators will recognize that most programs have already endured cuts below current services for 1989. Serious attention must be given to the consequences of any further proposed across-the-board reduction. Essential services of USDA, FDA, and CFTC could be in jeopardy.

I would be reluctant to impose another reduction in domestic discretionary programs. Asking agencies to absorb pay increases and then impose a 2-percent cut on program levels, in my view, is enough.

Whether we look to the WIC Program or any other single program, I ask for consideration of what this really will mean to these other programs.

Mr. President, these are all good programs. It is hard for me to make any argument against any one of them, but we have to have a balance here. By cutting these programs beyond the 2 percent already cut, they do great jeopardy to these other programs.

For that reason I cannot support the amendment.

The PRESIDING OFFICER (Mr. CONRAD). Is there further debate on the amendment?

The Senator from Mississippi?

Mr. COCHRAN. Mr. President, I think the chairman of the subcommittee has articulated exactly why we cannot accept this amendment. The WIC Program is a very important program, very beneficial to a lot of poor

families, infants, and pregnant women. It has saved a lot of lives, a lot of health expenses. It is a very important program in my State. We probably have a greater per capita participation in this program in my State than any other State in the Union.

And that is why the appropriations record, year in and year out, will show this program is funded in a very generous way, not just because I support it but because all the members of the subcommittee support it. If you will look at the WIC Program funding levels over the past 10 years, you will see giant increases in the amount of money made available in this program.

WIC participation has grown by 79 percent since 1980. During that time, program funding has increased by almost 70 percent in real terms. Find another Government program if you can, Mr. President, where the funding has increased as dramatically as they have in the women, infants, and children feeding program.

In 1979, just to put this in perspective, the amount of money available for this program was \$569.5 million. Last year the funding level was \$1.8 billion. Over that period of time we have ratcheted up the amount of money available for this program each year.

Each year the Senate has been higher in its recommended level of funding than the other body and in conference we have been able to convince the other body, which is usually very generous with programs of this kind, to increase the funding for this program. It is a little difficult for this Senator, therefore, to embrace an amendment that suggests that this subcommittee is somehow shortchanging the WIC Program; that is just not true.

This program has been very generously funded over the last several years, and that continues to be the case under the chairmanship of Senator BURDICK. I would suggest that we take a look at what is being requested by the Senator from Arizona. I have a great amount of respect for him. I know his heart is in the right place. But I think the dollars are just out of line and I think you ought to know why we feel very strongly about it.

Every program in the agriculture appropriations bill is having to be cut by 2 percent from the amount approved in the subcommittee and the full Committee on Appropriations because we added up the totals and CBO looked at it and said you are over the allocation, you are over the amount that you can spend. You have been too generous with all of these programs. So we had to accept a 2-percent across-the-board cut for all of the programs.

Now, the Senator from Arizona comes to the full Senate today and says we should make one exception to that for the WIC Program. We should

reinstate the amount by which that program is reduced, under the 2-percent across-the-board cut, and go further and cut all of the other programs in the bill by an additional .7 percent so that we have a 2.7-percent across-the-board cut for all of the programs in this bill. And no reduction of any amount for the WIC Program.

I say to you—as popular as this program is, as important as it is, we all agree on that—that is not fair.

That is not fair to the farmers, the people we tried to benefit in the drought relief bill we passed just yesterday. It is not fair to the consumers who are having to trust the inspection service to help ensure that food is safe and healthy. It is not fair to many other beneficiaries of the Food Stamp Program.

What about the elderly feeding program recipients? Are you going to tell them you have to take a 2.7-percent cut because there are a couple of Senators who want to show that they are more supportive of the WIC Program than anybody else in the Senate?

I do not know why we have to accept an amendment like this—and I support the Senator from North Dakota's decision—because it is a popular program. I do not think we ought to accept it. If we start accepting this amendment, if we start accepting other amendments like this, we are going to be here all afternoon accepting all kinds of add-ons and when we get to conference the Senate is not going to have any leverage at all. They are going to laugh at us on the other side. There was no discipline in the Senate.

I suggest that we need to show some discipline right now, recognize the reality of the budget process, the fact that we do not have unlimited resources to give out to every worthwhile program that we can find that comes under the jurisdiction of this bill. I hope Senators will reject this amendment and at the appropriate time, after other Senators have had a chance to speak on it, I am going to recommend to the chairman that we move to table it.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from Maine.

Mr. COHEN. Could I inquire from the sponsor of the amendment as to how long he would anticipate we might await the arrival of Senator CHAFEE in order to continue the debate? I have an amendment dealing with the WIC Program which I believe is not controversial, does not add any money to the program, and if we are going to delay a substantial period of time, whether the sponsor might consider laying aside the amendment so we can deal with the one that I have at the moment?

Mr. DECONCINI. If the Senator from Maine would yield, I have no objection to that. There is another Senator here who wants to speak to the amendment and if Mr. CHAFEE is not here after that time, I have no objection to laying it aside, if that is the desire of the chairman.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I rise to support the amendment to restore the original recommendation for funding the supplemental program for women and infant children. As you know, I have the honor to serve on the National Commission to Prevent Infant Mortality. This position has enabled me to talk to hundreds of families and child health experts from around the country about one of the Federal Government's wisest investments, the WIC Program.

Every day that we allow pregnant women or young children to go without adequate nutrition this country pays a tragically high price, not only in added health costs, but lost lives. It has been demonstrated to me over and over again that the WIC Program is one of the most effective of all Federal programs in reducing infant low birth weight, premature births, and anemia. Unfortunately, Mr. President, this program is not reaching everyone that is eligible in the population.

In devising the budget resolution for 1989, we worked hard to secure a \$150-million increase above current services for WIC. This level would have enabled the program to reach an additional 300,000 low-income pregnant women and young children. The Agriculture appropriations subcommittee provided for a \$53 million-appropriations above current services, but that figure was reduced further when the committee applied a 2-percent across-the-board cut in the appropriations measure.

By restoring funding to the subcommittee's recommendations, we still would be neglecting thousands of eligible persons, but we at least would be helping those women and children already on the program to be able to afford the expected increases in food prices.

Mr. President, in the past, I have and I will continue to encourage this body not only to recognize the cost effectiveness of the WIC Program, but to recognize our moral responsibility to offer our children a full life and the ability to be able to sustain that life.

Mr. President, I do not minimize the difficulty of the subcommittee in working on this appropriations, and certainly not the ranking member and the chairman, because I know that they are concerned about this program, and I know they have been strong supporters, as the Senate has been, of the program in the past.

I know, Mr. President, that this subcommittee had difficulty in getting its 302(b) allocation and that, again, put the subcommittee in a problem of being able to support this.

I think if we look at this, we will see today that less than 47 percent of the eligible women and children are covered by WIC. No matter what we want to say about ourselves, how much we supported this program over the years, and the Senator from Florida has been one, we are not doing a heck of a lot if we are only covering 47 percent of what we know is one of the most effective, efficient programs of trying to take care of diseases and trying to take care of malnutrition, trying to take care of women who are pregnant and their infants to see they have a decent life.

Forty thousand children die in this country every year before their first birthday. Mr. President, we rank 19th among the list of civilized nations in regard to how we take care of our children. If a baby is born in Hong Kong or Singapore, it has a better chance of reaching its first birthday than if it is born in the United States of America. Singapore and Hong Kong, teeming countries. Japan has twice the infant mortality. They have a better rate than we do of infant mortality.

Why is that? Is it because our medicine is bad? No; it is the best in the world. It is because we do not place the emphasis of trying to take care of a mother and take care of that child prior to the birth and within that first year after birth. We do not make a national priority out of children in this country. That is why we are only supporting 47 percent of the people who are actually eligible for this today.

That is a crime. That is a tragedy. That speaks to all of us. That does not speak to the chairman or ranking member of this committee. It is an indictment against, basically, this country that we have not made children the priority in this country that we should make them. We will make funds available for other things, and we do.

Should we cut everything else across the board to take care of this? I have programs in there. I care about my elderly people. I care about their feeding program, but I say, yes, let us put children first in this country for a change. Let us see if we can make a national priority that we are going to take care of those who cannot take care of themselves.

In restoring this, what we will be doing is literally keeping them even. What we started off in our debate of the Budget Committee is what we said we were going to do. We simply would be allowing enough so that when the infant formula, which has already gone up, is up, they will be able to pay the difference for that infant formula.

That is all we are doing. We are just running in place when we do this.

I know that it is difficult; I know that it makes it difficult, but we have talked about a nutrition bill.

We had a debate just 2 days ago. We also beat our chest and said, "We passed a big nutrition bill." At the same time, we are allowing this program to actually go down.

We talked about a drought relief bill. We passed that, and that is important. It is important because there are farmers out there who are hurting.

There are children in this country, Mr. President, who are hurting. There are pregnant women in this country who are hurting. Fifty-three percent of the eligible children and the eligible pregnant women in this country are not getting sufficient nutrition and are not able to qualify for this program.

Again, we rank 19 among the countries in infant mortality. With our resources in this country, with our abilities that we have, that is a national disgrace in this country. It is because we are not taking care of the needs at the front end. We are not seeing they have proper nutrition.

What is the reason for those 40,000 deaths a year? It is low birth weight. If a baby is born below 5 pounds, the odds of having problems begin to build astronomically. When you get them below 2, 2½, 3 pounds, then you have all different problems.

Mr. President, the average cost is about \$400,000 when you put a baby in a prenatal setting, a neonatal facility where you are keeping them in all of the technology and all of the tubes. For \$400 a year, we can take care of that mother and that child all the way up to the delivery time, as opposed to \$400,000.

That is part of what WIC does. That is why it is so cost-efficient. We are saving money; we are saving lives; we are saving heartbreak; we are saving children from major disabilities, once they go through that process, by simply seeing that the mothers eat right at the front end of that program. If that baby weighs above 5 pounds, it is healthy to start with to start off life. It has the brain cells; it has the brain matter. That baby can be a productive citizen for this country.

We are talking about skimping money on this program. We ought to be talking about funding 100 percent of this program, and we ought to be talking about where we get the money for it.

Mr. President, I know this is difficult to do, but I know we have to put our priorities in the right place. I certainly support the amendment, and I hope the Senate will support it.

The PRESIDING OFFICER. Is there further debate? The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I rise in support of the amendment. I have been on the floor only a brief period of time and just heard Senator CHILES' remarks. I would like to associate myself with them. I think Senator CHILES probably said it all, but that will not stop this Senator from saying a little more. There are some who want to conclude the debate to move ahead to other matters, like adjournment today. My statement will be very brief.

When the distinguished Senator from Florida talks about a national disgrace, that is certainly true with the limited funds available for women, infants and children. Unfortunately, as we take a look at our budgeting process generally, there are many national disgraces both as to the programs we appropriate funds and not appropriate funds.

The budgeting process is extraordinarily difficult. I have the opportunity to serve on the Agriculture Subcommittee of Appropriations, and I commend the distinguished Senator from North Dakota and the distinguished Senator from Mississippi for the outstanding job that they have done on management, as it is a matter of the assessment of priorities. We did not even have enough money in WIC before we started the juggling the figures. It seems intolerable, to this Senator, that we cut to meet the difficulties of budget constraints by reducing WIC funding \$39 million.

The restoration of \$31 million that this amendment proposes is minimal. It proposes seven-tenths of 1-percent cut across the board in other discretionary programs. These programs are good programs that will receive that cut, but on the balance of priorities, it seems to this Senator a very strong case has been made out for this amendment, and I urge its adoption.

The PRESIDING OFFICER. Is there further debate? The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I rise to join my colleague from Arizona in offering this amendment to increase funding for the WIC Program. Joining us as cosponsors are Senators DANFORTH, LEAHY, STAFFORD, HOLLINGS, JOHNSTON, DASCHLE, BRADLEY, COHEN, KENNEDY, BUMPERS, SASSER, MOYNIHAN, HEINZ, CONRAD, RIEGLE, KERRY, WEICKER, and MATSUNAGA.

We propose to increase the WIC funding level in the bill as it currently stands by \$30 million, thus permitting a modest amount of growth in the program. The increased cost would be offset by an equivalent reduction in the discretionary spending portion of the bill—a percentage reduction amounting to seven-tenths of 1 percent.

I know that many of my colleagues are concerned about the continuing drought in the Midwest, and so I want

to emphasize that this percentage reduction would not affect drought relief programs. Nor would it affect the mandatory spending portions of the bill, such as farm price supports and direct payments to farmers. Similarly, it would not affect other mandatory spending programs such as food stamps and child nutrition.

The need for this amendment is clear. First and most immediate is the fact that the bill before us today falls far short of what Congress intended for the WIC Program in the congressional budget resolution. Where the budget envisioned an increase of \$150 million for WIC, the pending measure provides an increase of only \$14 million. We propose to raise the figure to \$44 million, thus bringing us a small measure closer to what was intended in the budget.

This year, as in past years, Congress has clearly distinguished WIC as a priority in the budget, in recognition of its singular effectiveness. A consensus is growing that WIC is one of the most effective Federal programs in operation. For example, long-range studies have shown that every \$1 invested in WIC saves \$3 in long-term health care costs. At its current funding level, however, the WIC Program can serve less than half of the women, infants, and children who are poor and at nutritional risk.

This represents a considerable missed opportunity, considering WIC's proven effectiveness in averting long-term health and developmental problems in an especially vulnerable population. If we have learned anything about Federal programs over the last decade or so, we have learned that the WIC Program works.

Recognizing that there is much to be gained by expanding WIC to reach more of the eligible population, Congress has, in the past several years, attempted with some success to make small but steady increases in WIC funding.

This year was no different. We adopted a budget which assumed an increase for WIC of \$150 million above the current services—or inflation adjusted—level. This amount would be enough to bring WIC's services to an additional 300,000 women, infants, and children.

This intent that WIC funding be increased was recently reaffirmed in a letter to the Appropriations Committee. That letter, signed by 59 Senators, asked the Appropriations Committee to appropriate the full \$150 million that was envisioned in the budget resolution.

Unfortunately, the bill before us today is a long way from that mark. It funds WIC at a level of only \$14 million above current services. Given the impact that the drought is expected to have on the major components of the WIC food package—such as cereal and

dairy products—that is likely to turn out to be no increase at all.

The amendment has the endorsement and full support of more than 50 organizations, including the Children's Defense Fund, the March of Dimes, the American Academy of Pediatrics, and the Child Welfare League.

In this body, we talk a great deal about setting priorities. Let us not forget that, in addition to setting priorities, we also need to act on them.

We set a priority in the budget resolution; we said we would increase funding for WIC. In so doing, we implied that we would make the hard choices necessary to do so, since Federal resources are not infinite.

Now, in the appropriations process, is the time to act on the priority we set in the budget resolution. Here, in this amendment, is the opportunity to fulfill a small measure of a goal that we, as a body, have set for ourselves.

I might also add that a majority of the Members of this body have cosponsored a resolution calling for annual increases in WIC. The increase we are proposing today is a mere fraction of the annual increase that resolution calls for—less than one-third. I too have cosponsored the resolution, and I say it is time we do something around here besides resolving to do X, Y, or Z. Let's make good on our resolve.

Increasing funding for WIC is the right thing to do—not only from the humanitarian point of view, but also from the most hardnosed, cost-versus-benefit point of view. WIC is one Federal program that saves more than it spends, and deserves every bit of support we can give it.

In summary, Mr. President, this is a very modest increase in the WIC Program.

The WIC Program is one of those programs that has been proven to be cost effective. That is what this administration constantly is talking about. Where can we invest our money? Where can we receive the greatest return on the dollar invested? With these modest investments it is estimated \$1 in WIC saves \$3 in the long term for health care costs for these low-income mothers, and also for their children. We are trying to have these children come into the world born healthy and remain healthy. Unfortunately we adopted a budget that provided for an increase in WIC of \$150 million but we have come nowhere close to that under this legislation. So this comes somewhat up toward that with a total increase of \$30 million as provided in here. Under this we would be able to care for some 300,000 women, infants and children.

I note this amendment has the endorsement and full support of more than 50 organizations including the Children's Defense Fund, the March

of Dimes, the American Academy of Pediatrics and the Child Welfare League.

I thank the Chair.

Mr. HEINZ. Mr. President, I am pleased to join Senator CHAFEE, Senator DeCONCINI, and several other colleagues in offering an amendment to increase funding for the special supplemental food program for women, infants, and children—or WIC—by \$38 million. I want to add that this increase only restores WIC to where it had been prior to full committee markup, when discretionary spending in this appropriation was reduced by 2 percent.

The facts speak for themselves: WIC reduces infant mortality, low-birth weight, and premature births. Providing food packages and baby formula for pregnant women and children, WIC is a vital component of prenatal care for many low-income families. Recent research by the centers for disease control has also demonstrated the feeding program's contribution to a sharp drop in anemia among participating children.

Several months ago I visited Hahnemann Hospital in Philadelphia, where low-birth weight babies are treated in specialized intensive care units. A simple check up and good nutrition might have prevented the need for these infants to spend weeks in intensive care. The Institute of Medicine has calculated that a \$1 investment can on average save over \$3 in the medical costs of neonatal intensive care. This \$39 million amendment might thus save over \$100 million in medical costs. That is a wise investment.

Mr. President, the level approved by the committee for WIC is far lower than the \$150 million increase which was assumed in the budget resolution. And that increase has become all the more important in light of recent developments. Yesterday, Mr. President, we passed a drought bill. We did so in recognition of the terrible difficulties our farmers and our agricultural sector now face. What we need to do today is pass legislation to assist those who will feel the after-shock of this drought, namely the poor and the needy who are facing dramatically higher food prices.

While passage of the Chafee amendment is absolutely essential for the health and well-being of our young, I hope the conference committee on this bill will do even better. We have voted on several occasions to make WIC a top priority. The conferees should give this program the full support it deserves.

In my home State of Pennsylvania, 179,000 mothers and children benefit from this special feeding program. Yet, an equal number are not helped because WIC funds can only be stretched so far. According to the

archdiocese of Philadelphia, many children who are eligible for WIC, but are no longer infants per se, simply cannot get full benefit from the program.

For this reason, I strongly support the amendment of the Senator from Rhode Island and the Senator from Arizona, and I urge its adoption.

Mr. KENNEDY. Mr. President, I rise in support of the amendment offered by my distinguished colleague from Arizona. I am pleased to be a cosponsor of this important amendment.

There are very few Federal programs that we know for a fact help poor children and save the taxpayers money—WIC, the special supplemental food program for women, infants and children, is one such program. We simply must provide more resources to these types of programs.

A study conducted in my own State of Massachusetts, found that for each dollar spent on the prenatal component of WIC, \$3 in short-term hospital costs are saved. Those numbers represent the type of high-yield investment that will allow us to help our most vulnerable citizens in a fiscally responsible way. I find it appalling that, even given the cost effectiveness of WIC, this program still reaches only 44 percent of those who are eligible.

What are the costs of our shameful abdication of responsibility? Today in America one of every four children is poor.

Recently we have seen an increase in the incidence of low birthweight babies and prematurity in this Nation. Ironically, we have also seen a decrease in the number of women who receive early prenatal care. Stunted growth and malnutrition are among the greatest enemies of poor American children.

We know that early prenatal, maternal, and pediatric health are directly related to nutrition and we know that WIC provides nutritional supplements to at-risk women and children. Why then are so few of the eligible recipients benefiting from the program?

As I have said before, the question is not "Can we afford to make the investment." The question is "Can we afford not to make the investment." My answer is no.

America's children are America's future. Every investment in our children is an investment in our future.

When one considers that fact it becomes clear that the Senate should not only accept the DeConcini amendment, but it should move toward a funding level for the WIC Program that would allow full coverage for all eligible recipients.

I commend my distinguished colleague for offering this amendment and I strongly urge my colleagues to vote in favor of the amendment. A vote for the DeConcini amendment is a vote

for healthier American children and a brighter American future.

Mr. KERRY. Mr. President, I rise today in support of the DeConcini amendment to increase funding for the WIC Program by an across-the-board cut of seven-tenths of 1 percent in the agriculture appropriations bill. This legislation would provide an additional \$3 million for the WIC Program helping to offset the effects of a 2-percent across-the-board-cut during full Appropriations Committee markup. I am pleased to be a cosponsor of this important amendment and would like to commend Senator DeCONCINI for his long term commitment to this vital program.

As a nation we should be ashamed and embarrassed about the current level of infant mortality in our country. A generation ago the United States ranked 6th among the top 20 industrialized nations with one of the lowest infant mortality rates. Currently we are ranked 19th with one of the highest infant mortality rates of all industrialized nations. This is an outrage. Washington DC, the capital of our Nation, has a higher infant mortality rate—both in numbers and percentages—than Costa Rica, Cuba, or Tobago.

This situation exists in spite of the fact that we know the major cause of infant mortality and we know how to prevent it. It exists even though the solution to this problem is more cost efficient than inaction, and would save valuable resources and taxpayers money.

The leading cause of infant mortality is low birth weight, which is primarily caused by inadequate nutrition and poor prenatal care. WIC is our main weapon in the fight against infant mortality because it provides mothers and infants with the necessary and proper nutrition and medical care.

Unfortunately the WIC Program serves only 40 percent of the eligible 8 million women and infants who qualify for this program. Yet, every dollar spent for prenatal care can save \$3 in the first year of life by reducing the need for hospital stays and medical treatment. Further, each WIC dollar expended will eliminate \$11 in long-term medical expenses because fewer children will be born with permanent health problems.

We cannot afford to inadequately fund the WIC Program. The cost in terms of human life and human potential is too great. In addition, by passing this amendment we can avoid costly and prohibitive medical and social service expenses.

Mr. President, I would like to urge my colleagues, on behalf of the next generation of Americans, to support this amendment. Not only because it is the compassionate and caring thing to

do, but because it is a sound investment in the future of our Nation.

Mr. HOLLINGS. Mr. President, I am pleased to rise today to cosponsor this amendment to boost funding for the Women, Infants, and Children feeding program in the fiscal year 1989 Agriculture Appropriations bill. At \$38 million, this is a modest and prudent increase. It will enable us to serve approximately 105,000 additional pregnant women, infants, and children.

And we are paying for it the right way: through an across-the-board cut of 0.7 percent in the discretionary spending accounts of the bill. All mandatory spending within the bill, as well as the Farmers' Home Administration, the Rural Electrification Administration, the Conservation Reserve Program, drought assistance, and Food for Peace, would be exempt from the reduction, as would the WIC Program itself.

Mr. President, America may have lost the larger war on poverty, but the WIC Program is one battle we have won—and continue to win every day. WIC is the single most effective program in our antipoverty arsenal. Medical researchers tell us that WIC markedly reduces infant mortality, low birth weight, premature births, and anemia. WIC increases infants' head size, which usually corresponds to brain size and intellectual capacity. What is more, study after study indicates that each dollar spent on the prenatal component of WIC saves up to \$3 in hospital costs—primarily savings on the extraordinary expenses associated with premature and low-birth-weight babies.

That is the good news. The bad news is that a large percentage of eligible women and infants are not being reached by this exceptional program. Due in large measure to the penny-wise, pound-foolish scrimping of recent years, only 32 percent of eligible low-income children and only half of all eligible pregnant women in the highest risk categories are now participating in the WIC Program. The Department of Agriculture reports that 7.45 million Americans qualify for WIC because they are both low income and at nutritional risk. But, because of limited funding, only 3.5 million are enrolled.

Mr. President, the fact is that this shortfall stands to grow even more acute in the year ahead as a result of the drought now blighting much of the United States. The congressional budget resolution for fiscal year 1989 assumed an increase of \$150 million for WIC above the current services level. The intention was that this increase would enable the program to reach an additional 300,000 low-income and pregnant women and infants who are eligible but unserved. Regrettably, during full committee consideration of the Agriculture ap-

propriations bill, that increase was slashed by \$136 million, allowing only a paltry \$14 million increase in WIC spending. Now the drought threatens to consume that \$14 million and more in higher prices for WIC food items such as cereal. If WIC food costs rise by only 1 percentage point more than the Congressional Budget Office had earlier forecast, the entire \$14 million increment will be swallowed up; the WIC funding level for fiscal year 1989 will actually drop below current services levels.

The real shame is that this chipping away at WIC comes at a time of rising infant mortality rates and a marked increase in the number of children living in poverty. In 1986, the poverty rate for all Americans was 14 percent; for children under age 6 it was 22 percent. For minority children, the poverty rates are even worse. In 1986, 46 percent of black children under age 6 were living in poverty, as were 41 percent of young Hispanic children.

Mr. President, I urge my colleagues to support this important amendment. It is the bare minimum we must do. The people of our Nation are humane and caring—especially to those too young to help themselves. Americans have a tough-minded appreciation for the short- and long-term costs of depriving infants and unborn babies of essential nutrition. Surely, as we continue to make difficult budget and policy choices, we can agree on one bedrock principle of civilized life: Above all, do not cheat the children.

Mr. SASSER. Mr. President, since its inception in 1972, the Supplemental Food Program for Women, Infants, and Children has been one of the Federal Government's great success stories. The WIC Program has reduced infant mortality, low birth weight, premature births, anemia, and other conditions that threaten child health. But despite its extraordinary track record, WIC still reaches fewer than half of those who are eligible.

In order to expand the program to reach those persons, the budget resolution assumed that there would be an increase for WIC in fiscal year 1989 of \$150 million over current services levels. Despite the increase called for in the budget resolution, this bill includes only a \$14-million increase over current services levels, or \$136 million below what was assumed in the budget resolution. This amendment would restore a portion of that increase.

Although this amendment would make a less than 1 percent across-the-board cut in agricultural programs in order to fund this increase, it would exempt from the cut our most important programs, including the FHA, REA, and the Commodity Supplement Food Program.

Mr. President, yesterday we unanimously approved the spending of billions of dollars to combat the effects

of the drought and keep our farm economy strong. But Mr. President, there remain millions of low-income women and children who cannot afford the food produced on those farms. This amendment will allow the WIC Program to continue its modest expansion so that some of those needy millions can be reached. I urge my colleagues to support the amendment.

Mr. JOHNSTON. Mr. President, I am pleased to join with my colleagues from Arizona and elsewhere in offering this badly needed increase for the women, infants, and children [WIC] feeding program.

While I am not at all happy with the manner in which we are compelled to fund this increase, I do believe that this program is of a sufficiently high priority that we must provide for an increase above the committee-approved levels.

It is true that the amount provided, in total dollars, is above the amount appropriated last year. However, this increase is only \$15 million above the dated current services level which does not reflect the increases most expect in food prices as a result of the drought. This increase may well mean that there is no increase above what the real current services level will be and that in fact there will be no increase whatsoever in the level of participation in this program. In some areas, the funding level provided in the committee bill may not even be sufficient to prevent women, infants, and children currently being served through WIC from being removed from the program.

Why is an increase in participation so important?

Consider these facts.

WIC is one of the most successful and cost-effective programs funded by the Federal Government. Study after study has demonstrated that the supplemental nutrition assistance provided to needy, at risk pregnant women, infants, and children under the age of 5 reduces infant mortality, low birth weights among newborns, premature births, anemia and many other conditions which threaten child health, and improves cognitive development in children. For every dollar we spend on WIC for achieving these improvements, we save an estimated \$3 in later hospitalization costs.

Despite this record, WIC reaches less than half of those women, infants, and children who meet the income, health, and other criteria for it because of funding limits. In numbers, this means WIC now reaches 3.5 million of the 7.45 million eligible women and children.

This fall we are all going to hear a lot about the need to fight crime, to reduce dependence on welfare, and to increase productivity to improve our economy.

It seems to me that there is no better way to attack these problems than to start to make a modest dent, such as proposed by this amendment, in the underlying causes of these problems. By helping to prevent health problems in needy children, clearly WIC helps set the stage for children better able to learn and become productive, nondependent members of our society.

This amendment will provide \$38 million more than the committee has provided for WIC, and if adopted would mean that a few more needy women, infants, and children could be reached.

This is roughly about one-third of the increase assumed for WIC in the budget resolution and only slightly more than was recommended by the House, despite the fact that the Agriculture Subcommittee's 302(b) allocation in the Senate was almost \$1 billion more than the allocation for the Agriculture Subcommittee in the House. It seems to me that this is a very small step but one we must take to demonstrate our commitment to making steady, albeit modest, progress in meeting the needs of an especially vulnerable and needy group in our society who cannot meet those needs themselves.

I believe this is a worthy amendment and I urge the Senate to adopt it.

Mr. COHEN. Mr. President, I am pleased to join Senator DeCONCINI, Senator CHAFEE, and others as a cosponsor of an amendment to increase appropriations for the Special Supplemental Food Program for Women, Infants, and Children—better known as the "WIC" program.

WIC provides supplemental health and nutrition care, including specified nutritious foods, to women, infants, and children from families with inadequate income and who have been determined to be at risk of suffering from malnutrition. WIC program food packages are designed to make up for what has been found lacking in the diet of those the program serves. The foods made available through WIC include iron-fortified infant formula, infant cereal, milk, cheese, eggs, iron-fortified breakfast cereal, fruit or vegetable juice which contains vitamin C, dry beans and peas, and peanut butter.

The benefits of the WIC program are well known and well documented. Medical research has shown WIC to have marked success in reducing infant mortality, in reducing the frequency with which infants suffer the problems associated with low birth-weight or premature birth, and in improving the mental and physical development of young children. Studies have also found that each dollar spent on the prenatal component of WIC saves \$3 in hospital costs. It makes good sense to invest in this cost-effective

program that works so well at meeting such a vital need.

Unfortunately, current WIC funding is sufficient to serve less than half of the needy women, infants, and children eligible. The U.S. Department of Agriculture estimates that some 4 million of those meeting WIC eligibility criteria are left unserved.

The amendment now before the Senate would increase WIC funding by approximately \$31 million above the level recommended by the Appropriations Committee. This increase would be offset by a modest across-the-board cut of seven-tenths of 1 percent in other discretionary spending accounts in the Agriculture appropriations bill. This across-the-board cut would not touch the entitlement spending within the bill, such as that for Food Stamps and School Lunch. Neither would it affect the Commodity Supplement Food Program, WIC itself, the Farmers' Home Administration, the Rural Electrification Administration, the Conservation Reserve Program, any drought assistance programs, or the Food for Peace Program.

This modest increase will allow the WIC program to serve tens of thousands of additional needy women and children. It will give us a chance to salvage children from the danger of growth stunted by a lack of timely sustenance. I hope that the Senate will adopt it.

Mr. WEICKER. Mr. President, I rise today in strong support of the amendment offered by myself and 19 of my colleagues to add approximately \$31 million to the Special Supplemental Food Program for Women, Infants, and Children. This measure seeks to restore the WIC funding level to an amount just below the figure arrived at by the Appropriations Committee before the 2-percent, across-the-board cut.

I would like to begin by quoting briefly from the Surgeon General's Report on Nutrition and Health, which was released Wednesday after a full 4 years of research. While it gives special attention to the dangers of eating too much, the report also addresses the hunger and malnutrition which continue to plague our Nation in the midst of plenty. In particular, it points to the need for children, adolescents, and women of childbearing age to consume foods rich in iron, and notes that this is an issue of special concern for low-income families. In his introductory message, Surgeon General Koop comments:

The apparently sizable numbers of people resorting to the use of soup kitchens and related food facilities, as well as the possible role of poor diet as a contributor to the higher infant mortality rates associated with inadequate income, suggest the need for better monitoring of the nature and extent of the problem and for sustained efforts to correct the underlying causes of di-

minished health due to inadequate or inappropriate diets.

Mr. President, the overall thrust of the Surgeon General's Report on Nutrition and Health is clear. Good nutrition is the best preventive medicine any of us can practice. But good nutrition is not just a matter of choice, it is also one of knowing what to eat and having the wherewithal to buy it. The WIC supplemental food program represents just the sort of "sustained effort" of which Dr. Koop writes. For some 16 years now, it has made selected foods rich in specific nutrients such as iron and calcium, nutrition education, and health care referrals available to those who need it most—low-income, nutritionally at-risk women before and after they give birth and low-income children up to the age of 5.

This is a program with a proven track record. Study after study—including a 5-year evaluation by the U.S. Department of Agriculture—has shown that WIC mothers are more likely to carry their babies to term, and see them born healthy. Low birth-weight and infant mortality, the incidence of which is scandalously high among minority Americans, are much less likely to occur when the expectant mother and newborn child receive benefits through the WIC program. WIC children are also more likely to be getting the immunizations and checkups so necessary to a healthy start in life.

Data on pediatric nutrition developed by the Centers for Disease Control and described in an article in last September's Journal of the American Medical Association demonstrated that childhood anemia had declined by two-thirds over a 10-year period and that the WIC program had contributed to that decline.

The tangible benefits of the WIC program can also be measured in lower health care costs. Researchers at the Harvard University School of Public Health found that for every dollar spent on WIC for prenatal care and nutritious foods, up to \$3 in hospital costs could be saved. An evaluation by the State of Missouri found that each WIC dollar saved 83 cents in Medicaid costs in just the first 30 days after birth.

My State of Connecticut has recognized the importance of the WIC program and its ability to target assistance to those at nutritional risk by expanding a pilot project through which WIC participants receive coupons for fresh fruit and vegetables from farmer's markets. These coupons further supplement the commodities received through WIC. The project was so successful in the Hartford area that it has been expanded to 12 locations across the State.

Without question, projects such as the one in Connecticut and the WIC farmers' market projects authorized in

the Hunger Prevention Act passed by the Senate help better the diets of WIC recipients. Unfortunately, however, they are of no help at all to the roughly 4 million women and children who are eligible for WIC but shut out from assistance because of insufficient funds. WIC is serving less than half of the pregnant women and children eligible for its services.

As a result, Mr. President, babies are dying and going without food not just in Ethiopia and Cambodia, but in Hartford and New Haven, CT, too. Infant mortality rates among minorities in my State are twice that of the white population. A Child Hunger Identification Project conducted by the Connecticut Association of Human Services found that one-fourth of the children in New Haven, CT, are hungry or on the verge of it. These statistics are not acceptable. This is a nation which has always prided itself on the ability to pass to the next generation of life less hardship and more opportunity. Yet we are reneging on this commitment and will do so to an even greater extent if we fail to fund the WIC program at the higher level.

Mr. President, I urge my colleagues to support this amendment and restore the moneys to this vital program.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DeCONCINI addressed the Chair.

The PRESIDING OFFICER. If the Senator will withhold for one moment, the Senate will be in order.

The Senator from Arizona.

Mr. DeCONCINI. Mr. President I know people want to vote. I am interested in moving ahead on this.

Mr. President, I appreciate the strong stand of the Senator from Mississippi on this position. He has tried to paint a picture here that this program is the biggest spender and the biggest one in all the agriculture subcommittee. I think it is important that first of all there are a number of very large agriculture programs that are exempt from this amendment. He mentioned that. That could have left the impression they were included. The Farmers Home Administration, Rural Electrification Administration, the Conservation Reserve Program, any Drought Assistance Program are exempt. Further, Public Law 480, the Food for Peace Program, is exempt as well as the WIC Program, and the Commodity Supplemental Food Program is exempt.

Those programs are not going to take this small cut. So I think it is important that people do not get led down the street that we are taking money from the elderly or from the Food for Peace Program.

What is important here is, as the Senator from Mississippi said, this has

grown. There is no question about it. But the distinguished Senator from Florida, the chairman of the Budget Committee who came on this floor and fought as part of his responsibility to get an allocation in the budget of \$150 million over current services; we did not make it, did we? We did not make it at all. We made it by including a meager \$14 million over current services.

The subcommittee allocation, which goes to each subcommittee, known as the 302(b) allocation, allocated close to \$1 billion over the House Agriculture Subcommittee to this committee, and close to \$700 million in outlays alone. How much did the WIC grow? Did it skyrocket and grow so much? It got \$14 million out of that \$1 billion over what the House had. Is that where we want to be on a program that deals with infants? I do not think so.

Despite this, the subcommittee would increase the WIC Program by \$53 million over current services, or nearly \$100 million less than assumed by the resolution. So as to the budget resolution, we really have already gone on record with \$150 million over current services. That is what we ought to be doing here.

So this Senator is not here in order to discredit the distinguished chairman. He has been a leader. He has worked so hard on this thing; the same with the ranking member. But let us make it clear. We are talking about priorities here. We are talking about what is the most important part. I also have things in this bill that are very, very important to some of my constituents. I hate to see them take a even small, minor cut.

I am prepared to tell them or anyone else that this program for women and infant children is a priority. We are talking about raising it less than 2 percent; adding less than 2 percent.

Mr. CHILES. Will the Senator yield?

Mr. DeCONCINI. I am glad to yield to the Senator.

Mr. CHILES. I was sort of off the floor. I heard something. I just wanted to make sure I understand. Did I hear the Senator from Arizona say that Food for Peace and the Public Law 480 Program was exempt from the 2-percent cut, and the WIC cut would apply?

Mr. DeCONCINI. Yes. The Public Law 480 Program was exempt from the 2-percent cut in committee, but WIC was not.

Mr. CHILES. Public Law 480 was exempt?

Mr. DeCONCINI. Yes. But, under the DeConcini-Chafee amendment, Public Law 480 is exempt as would the WIC Program be exempt.

Mr. CHILES. So the purpose of this amendment is to exempt the WIC Program?

Mr. DeCONCINI. Yes. The purpose of the amendment is to exempt the WIC Program from the 2-percent cut, from the across-the-board cut.

Mr. CHILES. That is right. It would be held in the same status as Public Law 480?

Mr. DeCONCINI. That is correct. The Senator from Florida is correct.

Mr. CHILES. That would mean we would be treating infant children and pregnant women in this country the same way that we would be treating people overseas that we are sending food for?

Mr. DeCONCINI. The Senator is correct.

Mr. CHILES. Does the Senator from Arizona see anything basically unfair about that?

Mr. DeCONCINI. The Senator from Arizona feels if there is any priority in this Nation, we all have priorities, and something this country can do overseas as well as here is feed people and grant nutrition. So this Senator, along with the Senator from Rhode Island, decided we are not going to take it away from underdeveloped nations overseas. It is very important to assist the hungry abroad, and we have that abundance of food. However, certainly we can also exempt the WIC Program.

Mr. CHILES. Certainly.

Mr. DeCONCINI. What the Senator points out is correct.

Mr. CHILES. Certainly we can see to it that children that are malnourished in this country and pregnant women are treated as well as we are treating our overseas friends that we are going to send some food to.

Mr. DeCONCINI. I thank the Senator from Florida for underlining that point. I think it is very important. If you had to make a priority, I would take American children first. I do not want to do that.

Mr. CHILES. I would not.

Mr. DeCONCINI. I do not want to do that. I want to include all children. After all, the Food for Peace Program is primarily for starving children.

Mr. CHILES. I thank the Senator.

Mr. LEAHY. Will the Senator yield further?

Mr. DeCONCINI. I am glad to yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, I ask the Senator. I think we both agree that the United States is the wealthiest and most powerful Nation on Earth. Does this not really become a moral issue as much as a budgetary issue? As the Senator from Florida has pointed out, we want to do this to help the less fortunate abroad. Is it not also as much a moral issue as anything else to help them here in this country?

Mr. DeCONCINI. Let me respond to the Senator from Vermont. He has taken the lead on moral issues involving child and elderly nutrition for many years here. And, he is basically

saying what I really believe in my heart and my soul. We are talking about a moral principle here. It is not my intention to bring despair to anybody who might be against this for any reason. It is not immoral on their part at all. It is a matter of budget priorities for some people as they consider fairness. But I agree with the Senator from Vermont. What can this country do? Actually, as the Senator from Florida pointed out, and I would like to reiterate to the Senator from Vermont, that even if this modest increase passes, we will still be feeding less than half of these children and women. So we still have a moral obligation to try to climb up that ladder and do something for those people.

Mr. LEAHY. If the Senator will yield further, that makes me think back a few years ago when the distinguished Senator from Oklahoma, Mr. BELLMON, was here, who was the ranking member on the Budget Committee. I do not know of anybody I respected more around here than Henry Bellmon as a very good, conscientious Senator. Republicans and Democrats thought the world of him. He looked at budgetary issues. I talked to him about WIC. He said in Oklahoma they had just really a small role on WIC, and he questioned the efficacy.

We went to Vermont and spent 2 or 3 days and talked to the WIC receivers. I remember one of the people testifying. This is back, I would say, 9 or 10 years ago. He told us how the pediatricians used to treat cases of malnutrition. Then Vermont got heavily involved in this. We had on a per capita basis one of the highest enrollments. None of them ever saw a malnutrition case again. We had women who came in and testified, and would have poignant testimony: Had it not been for this, she would have considered having an abortion. It came right down to that, basically. She had a good start and a healthy child.

We went to two or three cities, walked around, just talked to people, and dropped into these places.

I went a couple of weeks later to Oklahoma with Senator Bellmon. He read the riot act to people there. He said: "Get them lined up for WIC. Get this program working. Make it work."

It is an infinitesimal amount of the overall budget, but the good it does, starting especially with pregnant mothers before a child is even born; the good it does for generations to come. We use metaphors here all the time, but if there is a case where we start with a real foundation, it is in the WIC Program.

I am proud to support the Senator in his amendment.

Mr. DeCONCINI. I thank the Senator from Vermont for those words and particularly for an example of the real human beings involved in this amendment.

This is not an administrative nightmare or an administrative giveaway.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER (Mr. Ford). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DeCONCINI. Mr. President, I am ready to vote.

Mr. BURDICK. Mr. President, before this debate concludes, I think some salient facts should be made part of the RECORD.

This bill contains \$1,927,362,000 for the WIC Program. This amount is a \$125 million increase over 1988. That is what the committee did. The 2-percent cut reduced the appropriation by \$38,500,000. Nevertheless, the increase in this bill over last year is still \$86,500,000.

This is a very difficult situation, of course. But, remember, there are very good programs that are going to be slashed by this amendment, also. For example, what is going to happen to the Food Safety Inspection Service? It will take quite a wallop.

I urge, as I did before, that I think we have done the best we could in the committee. We tried to put in \$125 million, and it was cut by 2 percent. We still come up with \$86 million over the previous year. I think we have done the best we could.

Mr. COCHRAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Office of the Secretary of the Department of Agriculture, together with a table showing the appropriations for this account.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, June 27, 1988.

HON. THAD COCHRAN,
Ranking Minority Member, Subcommittee
on Agriculture, Rural Development and
Related Agencies, Committee on Appropria-
tions, U.S. Senate, Washington, DC.

DEAR SENATOR COCHRAN: The United States Department of Agriculture objects to amending the Senate Agriculture Appropriations Bill to increase the fiscal year 1989 appropriation for the Special Supplemental Food Program for Women, Infants and Children [WIC] and indiscriminately reducing fund for other discretionary accounts.

Many are unaware that WIC State agencies have achieved substantial savings through infant formula rebate systems. We estimate these savings will be between \$200 million and \$275 million in fiscal year 1989. As a result, States can serve significantly greater numbers of eligible women, infants, and children with the appropriation we have requested. In fact, the level of expected savings is so great Congress recently authorized States to carry over 5 percent of their WIC food funds from one fiscal year to the next.

Since 1980, WIC funding has increased 143 percent. On the other hand, funding

levels for other Department of Agriculture discretionary accounts have been developed in a frugal environment. With a few exceptions, such as administrative funding for the Temporary Emergency Food Assistance Program, reductions in these accounts are likely to have a significant deleterious effect.

Sincerely,

JOHN W. BODE,
Assistant Secretary,
Food and Consumer Services.

WIC

Fiscal year	Appropriation	Increase
1979	\$569,500,000	
1980	758,000,000	\$188,500,000
1981	927,000,000	169,000,000
1982	934,100,000	7,000,000
1983	1,193,300,000	259,000,000
1984	1,400,000,000	207,000,000
1985	1,500,000,000	100,000,000
1986	1,580,000,000	80,000,000
1987	1,663,500,000	83,500,000
1988	1,802,363,000	139,000,000
1989 proposed	1,927,362,000	125,000,000

Mr. COCHRAN. Mr. President, the salient part of this letter shows that since 1980, WIC funding has increased 143 percent. There is no other program funded under this bill that has been treated as generously as this program in the past, nor has one been treated as generously in the past as this bill treats the program this year. I hope Senators will vote against the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2760

(Purpose: To require State agencies to evaluate and implement certain cost containment procedures for acquiring infant formula and other foods that are necessary to carry out the WIC Program)

Mr. BURDICK. Mr. President, this amendment requires States participating in the WIC Program to examine the feasibility of implementing cost-containment procedures for infant formula and other WIC foods.

Where such procedures would lower costs and enable more eligible persons to be served, without interfering with the delivery of nutritious foods to recipients, States are to implement such procedures.

States must submit to the Department of Agriculture as part of their annual operation plans, an analysis of the feasibility of cost-containment procedures and plans for implementing them where appropriate.

Mr. President, I ask unanimous consent to submit the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DECONCINI. Mr. President, reserving the right to object, I have talked to the distinguished chairman of the subcommittee, and I understand that if this modifying amendment is accepted, the committee will not oppose the amendment.

Is that a fair question to ask the chairman?

Mr. BURDICK. That is a fair question. I will not oppose the amendment.

Mr. DECONCINI. Mr. President, I have no objection to the modification offered by the Senator from North Dakota.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Dakota (Mr. BURDICK) proposes an amendment numbered 2760 to amendment numbered 2759.

Mr. DECONCINI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Following the matter proposed, insert:

(d) Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended—

(1) in paragraph (1)—

(A) by striking out "and" at the end of clause (viii);

(B) by striking out the period at the end of clause (ix) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new clause:

"(x) a description of the feasibility and types of cost containment procedures described in section 3 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) (including infant formula rebates) implemented to acquire infant formula and other foods that are necessary to carry out this section."; and

(2) by adding at the end thereof the following new paragraph:

"(17) A State agency shall examine the feasibility of implementing the procedures referred to in paragraph (1)(x). If the State agency determines that such a procedure would lower costs and enable more eligible persons to be served (without interference with the delivery of nutritious foods to recipients), the State agency shall implement such procedure."

Mr. DECONCINI. Mr. President, I thank the distinguished chairman again for his leadership in the WIC Program, and I thank him for this modification which helps conform and tighten the purchasing of food but permits the full funding of the Chafee-DeConcini amendment. I thank the Senator for his effort.

Mr. President, I also want a rollcall vote. I think this is a paramount issue. I hope it is unanimous, but, in any event, I am prepared to vote.

The PRESIDING OFFICER. The question is on agreeing to the second-degree amendment.

The second-degree amendment (No. 2760) was agreed to.

Mr. HARKIN. Mr. President, I rise to express my support for the amendment offered by Senator DECONCINI to restore \$30.825 million of the \$39 million that was cut from WIC funding. The budget resolution for fiscal year 1989 called for spending \$150 million for WIC above the current services level. This bill provides only \$14 million over current services. Hence we are far from the \$150 million originally envisioned as a level that would have allowed adding 300,000 additional participants. It is therefore necessary at least to restore a part of the amounts that were removed by the across-the-board cuts of funding under the agriculture appropriations bill.

We are all familiar with the facts on the WIC Program. The program is indeed a money-saving program that constitutes one of the most efficient areas of Federal expenditures. The WIC Program provides only the additional nutritional supplements necessary to bring women, infants, and children who are poor and nutritionally at risk to a minimum nutritional balance. In so doing, the program spends only \$32 per month per participant for commodities that meet these specific needs. Money spent on the WIC Program prevents more costly future expenditures on health care. It is a sound and prudent investment fiscally.

More important, however, the WIC Program is an investment in our people that pays dividends year after year in the form of improved health, productivity and quality of life. As a nation, we all benefit when our citizens are able to achieve their maximum potential unhindered by inadequate nutrition. Inadequate nutrition in the early stages of life creates an irreversible impediment to a full, productive life and stacks the odds even further against escape from poverty.

The amendment is especially important because WIC is now serving only 47 percent of those eligible. There are far too many who need this help but do not receive it.

I regret that the amendment requires some reduction in other programs that are also important. I just think that when making the tough decision on priorities reflected in the amendment, we must place priority on our young people and the brighter futures they can have through the WIC Program. Mr. President, I also wish to express my support for Senator BURDICK's amendment calling for competitive bidding or other cost containment measures in the special Supplemental Feeding Program for Women, Infants and Children [WIC].

Last year the Subcommittee on Nutrition, which I chair, held hearings on this issue. I later offered the amendments to the Commodity Distribution Improvements Act which enabled

States to utilize the savings realized from these cost containment programs to expand WIC participation.

Mr. President, until these WIC amendments were passed earlier this year, there was a disincentive to States to purchase WIC commodities at the cheapest possible price.

According to a GAO report I just received, and which will be released shortly, if all States implemented competitive bidding or otherwise negotiated special pricing on WIC commodities, almost 1 million additional women, infants, and children could be added to the WIC rolls at no increase in cost to the Federal Government. Indeed, I commend Senator BURDICK for his amendment and urge my colleagues to support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Tennessee [Mr. GORE], the Senator from Maine [Mr. KERRY], the Senator from Michigan [Mr. LEVIN], the Senator from Nevada [Mr. REID], and the Senator from Michigan [Mr. RIEGLE] are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. RIEGLE], and the Senator from Michigan [Mr. LEVIN] would each vote "yea."

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. MCCAIN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 87, nays 4, as follows:

[Rollcall Vote No. 276 Leg.]

YEAS—87

Adams	Dole	Karnes
Armstrong	Domenici	Kassebaum
Baucus	Durenberger	Kasten
Bingaman	Evans	Kennedy
Bond	Exon	Lautenberg
Boren	Ford	Leahy
Boschwitz	Fowler	Lugar
Breaux	Garn	Matsunaga
Bumpers	Glenn	McConnell
Burdick	Graham	Melcher
Byrd	Gramm	Metzenbaum
Chafee	Grassley	Mikulski
Chiles	Harkin	Mitchell
Cohen	Hatch	Moynihan
Conrad	Hatfield	Murkowski
Cranston	Hecht	Nickles
D'Amato	Heflin	Nunn
Danforth	Heinz	Packwood
Daschle	Hollings	Pell
DeConcini	Humphrey	Pressler
Dixon	Inouye	Proxmire
Dodd	Johnston	Pryor

Quayle	Shelby	Thurmond
Rockefeller	Simon	Trible
Roth	Simpson	Wallop
Rudman	Specter	Warner
Sanford	Stafford	Weicker
Sarbanes	Stennis	Wilson
Sasser	Stevens	Wirth

NAYS—4

Cochran	McClure
Helms	Symms

NOT VOTING—9

Bentsen	Gore	McCain
Biden	Kerry	Reid
Bradley	Levin	Riegle

So, the amendment (No. 2759), as amended, was agreed to.

Mr. DeCONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2761

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. PRYOR, Mrs. KASSEBAUM, Mr. McCONNELL, and Mr. EXON, proposes an amendment numbered 2761.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following:

Sec. . Section 6.29 of the Farm Credit Act of 1971 (12 U.S.C. 2278b-9) is amended by—

"(1) in subsection (a)(1), striking out 'Except as provided in paragraph (2),' and inserting in lieu thereof 'Except as provided in paragraphs (2) and (3).'",

"(2) adding at the end of subsection (a) the following new paragraph:

"(3) PERIODIC PURCHASES.—(A) Notwithstanding any other provision of this section, the Financial Assistance Corporation shall establish a program under which System institutions shall purchase, as debt obligations are issued under section 6.26(a), stock of the Corporation in amounts described in this paragraph.

"(B) The program shall provide, with respect to each issuance of debt obligations under section 6.26(a), that each System institution originally required to purchase stock under paragraph (1), or the successor thereto, shall purchase Corporation stock in an amount determined by multiplying the amount of stock such institution was originally required to purchase under that paragraph by a percentage equal to the percentage which the amount of the issuance bears to \$4,000,000,000.

"(C) The Financial Assistance Corporation shall promptly rescind purchases of stock of the Corporation made under paragraph (1) or (2) by System institutions and refund to such institutions, or their successors, the purchase price for the stock, except that, with respect to each issuance of debt obligations that occurs before October 1, 1988, the Corporation shall deduct from

any refund due any System institution, and retain, the amount payable by such institution.

"(3) in subsection (c)—

"(a) striking out 'Within' and inserting in lieu thereof '(1) Within',

"(b) striking out '(1) the' and inserting in lieu thereof '(A) the', and

"(c) striking out '(2) in the case' and inserting in lieu thereof '(B) in the case', and

"(4) adding at the end thereof the following new paragraph:

"(2) Not later than 15 days before each issuance of debt obligations under section 6.26(a) occurring after September 30, 1988, the Financial Assistance Corporation shall notify each System institution required to purchase Corporation stock under subsection (a)(3) of the amount of the stock it is required to purchase."

Mr. BUMPERS. Mr. President, I offer this amendment on behalf of myself, Senator KASSEBAUM, Senator McCONNELL, Senator EXON, and Senator PRYOR.

There is a 40-minute time agreement on this amendment, I know that a lot of Senators have planes to catch, so I will describe this amendment as briefly as I can. It is a little bit complicated, but I plead for your attention so that we can maybe yield back some time at the end of the debate.

In 1987, the Congress passed a bill which was effectively a bailout of the Farm Credit System. I supported the bill, but I believe the assessment provision has been operated in an inequitable manner. I, and the other cosponsors want to amend this one section and arguments that we are trying to undo the entire bill is without merit.

Under the Agricultural Credit Act of 1987 we set up the Financial Assistance Corporation and provided that this Corporation shall have the right to issue up to \$4 billion worth of bonds to assist those associations in trouble. We also created a trust fund using system assessments which equalled 4.43 percent of the \$4 billion borrowing limit. Associations were assessed their surplus funds that exceeded an amount equal to 13 percent of their assets. Associations were told "you can shelter some of your surplus; the balance will have to be sent to this trust fund."

Now let me give you an example as to why I am on the floor and why this amendment is important to 142 associations in America.

We have a little successful PCA called the Delta PCA down in south-east Arkansas. They had about a \$3.4 million surplus. Under this law, this association was forced to give \$2.5 million of that amount to the trust fund. It represented 72 percent of their surplus.

Now, this little PCA has all their money loaned out to the farmers like they are supposed to have. And so when the payment deadline came they literally had to go borrow the money to send it in to this trust fund.

It is my impression that the Delta PCA is one of the healthiest, soundest managed little PCA's in America, and there is a distinct possibility that they will have to liquidate and fold up unless this amendment passes.

Now, I can tell you that Senators McCONNELL, KASSEBAUM, and EXON and a whole host of other Senators have associations in the same boat.

I again want to stress that we are not trying to undo the 1987 act. We affirm that all of these assessed associations have an obligation to help bail out the system and we do not object to any of the associations being required to send in this amount of surplus if the corporation does in fact wind up issuing \$4 billion worth of bonds. But they are not ever going to issue that much.

Last week they borrowed FAC issued \$450 million. We are happy to put up our share, as required under the rules, regulations, and laws, of \$450 million, and if they borrow another billion dollars next week we will put more money in the trust fund to back up that billion dollars. But what has happened is they have made every assessed association in America contribute the full amount to the trust fund which now sits in a bank, totaling \$177 million. This is the amount that would be required to back up a total \$4 billion in bond issues and they have only issued a little over 10 percent of that amount.

So what we object to, Mr. President, is the requirement that associations be forced to make a 100-percent contribution based on a \$4 billion bond issue when they have only issued \$450 million.

We are not trying to renege. We understand that all associations are in this together. And we will pay our share.

If they issue \$4 billion we will pay our full share of that. But all we are saying is: Do not make us pay it all on the front end when you are not likely to ever issue that amount.

We have created this big trust fund and it is drawing interest while our little PCA in Arkansas, and others in the country, are threatened with liquidation.

I want to make this point crystal clear, Mr. President. We are willing to do whatever we have to do but we must recognize that the 1987 Agricultural Credit Act was infallible and perfect. We sit in this Chamber, as U.S. Senators, trying to do justice, correct errors, redress injustices and wrongs that we do in this body. We made a mistake in 1987 by allowing associations to be assessed 4.43 percent against \$4 billion, and this is jeopardizing good, fine, soundly managed associations all across America.

We also have a provision in this amendment that says we will contribute our share, even if associations

merge with somebody else. They will still be obligated to contribute their share that they owed as of December 31, 1986.

Mr. President, I yield the floor and reserve the balance of my time.

The PRESIDING OFFICER (Mr. BREAU). Who yields time?

Mr. COCHRAN. Mr. President, may I inquire of the Chair how much time we have in opposition to the amendment?

The PRESIDING OFFICER. The Chair will inform the Senator from Mississippi there is 15 minutes in opposition.

Mr. BUMPERS. Mr. President, the Senator understood it was 40 minutes, equally divided. I had 30 minutes on the amendment dealing with contact lenses, which was the excepted committee amendment, and 40 minutes on this one.

The PRESIDING OFFICER. The Chair will observe that the agreement that was placed on the calendar indicated 30 minutes to be equally divided. That could be modified by unanimous consent.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the agreement be modified to show 40 minutes, equally divided.

Mr. BUMPERS. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield 10 minutes to the distinguished Senator from Indiana, Mr. LUGAR.

Mr. LUGAR. Mr. President, the amendment that we considered today by the distinguished Senator from Arkansas is a critical amendment with regard to the future of the Farm Credit System. I cannot overemphasize that. I shall not overdramatize it. It just is so. The problem is that the administration initially insisted that all of the reserves of the system be utilized to save itself.

Mr. President, last year the Farm Credit System was in jeopardy in total. The distinguished Member who was in the chair now recalls the discussions around the table, as month by month we noted the potential failures, not only of individual units, but of the entire system. And there were many who felt that it might very well fail, simply because there are, sometimes, institutions in our society that are so badly mismanaged, that become so inept, so calcified in their operations, they are simply doomed to failure and they are replaced by other methods.

The will of the Senate was to try to resurrect that system by making it possible for it to borrow money; by making it possible for it to bring units together in merger. And, as a very minimal part of that recapitalization, all of the units of the system were asked to contribute 13 percent, 13 per-

cent of their reserves to keep all the rest. And they have. But to put 13 percent in the kitty of the existing surpluses; that was \$1.45 billion total surplus for the whole system in 1986; \$1.35 billion in 1987. That amount was out there.

We are talking today, Mr. President, about not only reneging but simply putting it all back where it was. The elements in the system have decided they would really rather not contribute to their own success. They would rather the rest of the United States of America bail them out. They simply keep their money, keep their reserves, every penny of it.

That will not do, Mr. President. We are talking today about not only good faith but about whether the whole system is really worth the support of the U.S. Senate if, in fact, having gotten the cure, having taxpayers behind them, having the full \$4 billion reserve to bail them out, they want their money back. And if this amendment passes, they get their money back. They are home free.

Mr. President, let me just say that to say the least the Secretary of the Treasury is upset about this development. He has written a letter which barely allows the paper to exist after the scorching situation, as he describes it. Because, as he points out, this is not only totally reneging, this is not the deal at all.

The Treasury came into this situation with the thought that those who were in trouble would at least with 13 percent of their reserves try to help themselves. To say the least, the Treasury takes a very dim view of the amendment.

I would hope, Mr. President, the Treasury would continue to press that situation in behalf of the taxpayers, in behalf of all the rest of the citizens of the United States who do not have such favorable treatments.

In fact, the Bumpers amendment is not justified on the facts. It is a meat axe approach on the part of the whole system which was prompted by the constituents of the distinguished Senator in the Delta Association, and the Delta Association has a problem that could have been relieved by the St. Louis district but the Delta Association could not, apparently, convince the other members of the district to go along to help them in their situation.

Delta did pay an abnormally large assessment and that is true of several associations. My figures show that three associations, in fact, paid amounts equal to 70 percent of the surplus and they have a legitimate complaint. They did not pay 13, they paid 70. There were three such entities in the United States of America that did this and 13 paid over 65 percent; 9 paid between 60 and 65 percent.

They have been abnormally hit and, Mr. President, we recognize that and the district banks have the ability to remedy it.

It is no fault of the distinguished Senator from Arkansas, or both the distinguished Senators from Arkansas, that that St. Louis district has not come at least in some cooperation. In fact, it would be very well worthwhile, Mr. President, for oversight hearings to try to find out what is going on in that St. Louis district and why people out there are prepared to gum up the whole works; hopefully, I suppose, with the thought that Congress will not notice and, having been saved, nobody will pay any attention. They can go about their works and bring to the floor of the Senate, now, the distinguished Senator from Arkansas who wants not only relief for Delta and for two or three other instances, perhaps, in his constituency, but in fact return of everything, all the reserves; all the pledges made by everybody in the system home free.

Mr. President, I simply reiterate that not only is it unfair, not only does it unravel the whole agreement, but it simply is going to lead, in my judgment, to a severe lack of confidence on the part of this body in the Farm Credit System in the way that it is managed and what appears to be, Mr. President, a situation of let the good times roll.

But things are not very good out there for the Farm Credit System. Loans, as a matter of fact, are shrinking. There is other competition coming in and, before long, Mr. President, my guess is before the Agriculture Committee, we are going to see these same people again and they are going to say, "Farm credit is in trouble; bail us out; you can't let us fall because we are the people who prop up the farmers."

Mr. President, I am just going to say as one who took a leading role in trying to craft this legislation that patience runs thin with people who want it all, every bit of it, every bit of reserve back, all \$177 million, all 13 percent. And they want the rest of us in the United States of America to bail them out, to keep them going, regardless of how they mismanage their affairs, regardless in the St. Louis district there is no compassion for Delta.

Mr. President, not only do I oppose this amendment, I simply hope this debate sends a strong signal to the Farm Credit System that there is not only disapproval of the Bumpers amendment, but there is disapproval of the St. Louis District, disapproval of all of those who think they can simply go back to their old ways and that we will pick up whatever the pieces may be. I have news for them, Mr. President. There are new possibilities for agriculture credit, and we adopted in that same reform bill the

possibility for agriculture credit through secondary holdings of banks and that is going to be a way farmers can get credit. Perhaps we should in the agriculture committee begin to look arduously at how we do this in the fully private system without Federal money propping up people who are not prepared to pay their share.

I hope, Mr. President, that having made this point, the distinguished Senator from Arkansas will withdraw the amendment and will go back to St. Louis. I will pledge to go with him to that district and say, "Listen, folks, you are on thin ice. Repent, reform before it is too late." But to offer an amendment that unravels the whole thing, Mr. President, I think is unjustified. I am hopeful the amendment will be defeated.

Mr. BUMPERS addressed the Chair. The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Arkansas controls 13 minutes, 15 seconds.

Mr. BUMPERS. Mr. President, if my colleague will indulge me for a moment, in response to what the Senator said, one, you talk about repenting and shaping up. You do not say that to the best run PCA in America. You do not say that to the PCA's that are soundly managed.

No. 2, I know he did not intend to misrepresent it, but if these associations were only required to put up 13 percent of their surplus, I would not be here today. The formula does not work that way. Here is the way the formula works:

A certain amount of surplus can be sheltered. You take 13 percent of your total assets, and if you have \$1 million in assets, you shelter \$130,000. That is 13 percent. But that is all of your surplus that you can retain. If you have a \$500,000 surplus, you have to cough up \$370,000.

The little PCA I alluded to a while ago has put up 72 percent of their surplus. If, as the Senator said, they were only putting up 13 percent of their surplus, I would not be here today. In all fairness, and this is not meant to be derogatory at all, if I were from Indiana, I would not be here today. Indiana's PAC is in pretty good shape. They had \$135 million in surplus in the Central PCA in the Louisville District. They are sheltering \$131 million, and they only had to pay in \$4 million or 3 percent.

My little old PCA down in Arkansas, with \$6 million or \$7 million in total assets, paid almost as much into the fund as the Central PCA which covers Indiana. I have always thought that if I voted for Indiana enough, maybe someday they would try to help Arkansas. That is the reason I am here today. We ought to be fair regardless

of where we are from. Let these people pay in installments. As bonds are issued, let them pay in their contribution. If I went to the bank and the bank said, "I will loan you a million dollars," and I said, "I do not need a million dollars: I need \$100,000 a month," and they say, "Well, that is fine. We will let you have \$100,000 a month, but we want you to start paying interest on \$1 million right now," why, you would turn around and say, "Thanks a lot but no thanks." That is precisely the case in point.

I yield to my distinguished colleague from Arkansas, Senator PRYOR.

Mr. PRYOR. Mr. President, I thank my distinguished colleague from Arkansas for yielding to me at this time.

I think we do need to clarify the situation which exists in this amendment. One, let us talk about what this amendment does and what it does not do. I think that is the first thing we should establish.

This amendment offered by Senator BUMPERS and myself, Mrs. KASSEBAUM, Senator McCONNELL, Senator EXON does not affect the assessment formula. It does not even touch that formula. It will not change the amount of money that can be collected by the System. Perhaps most importantly, it does not alter the concept that the System itself will be responsible for its own rescue.

I dare say, in reply to my distinguished friend from Indiana, Mr. President, that there is not one PCA, not one Federal land bank, not one loaning institution out there across the width and breadth of this great country of ours that does not recognize its obligation to the entire System.

That is not the point. It is the fact that this obligation has been basically assessed in an unjustifiable and inequitable way.

The Senator from Indiana says all of these lending institutions are going to be home free after this amendment. That is not correct, Mr. President. I say that in great respect and friendship and admiration of my friend from Indiana. Each of these lending institutions will continue paying their fair share, but only when that fair share is needed.

This legislation was never intended, Mr. President, to be a part of closing the doors, forcing liquidation of any production credit association in America or any loaning institution in America.

The distinguished Senator from Indiana says, "Well, there is relief; there is administrative relief. You can go to St. Louis and you can have some hokus-pokus waved over the problem and you will get relief."

Let me say, Mr. President, in all due respect, in answering my friend from Indiana, administrative relief is only

so good as the administration that wants to grant that relief.

I have talked to our friend, Secretary Lyng, about this particular problem. I have talked to our friend, Mr. Frank Naylor, the head of the Farm Credit Administration, about this problem. I have talked to the individual members of our Senate and House Agriculture Committees in Washington, DC, about this problem.

Mr. President, the only reason that this amendment is here today on the floor of the Senate is that administrative relief for the Delta PCA, or for the other institutions across America, was not forthcoming. Therefore, it is incumbent upon us, it is our duty representing not only our States but also the agriculture community of this country, that we bring this amendment to the floor, that we clear up those inequities and that we say, once and for all, there will be no unfairness in the Agricultural Credit Act of 1987.

I look at this very similarly to the technical corrections amendment that we might pass through the Finance Committee.

I think it is just. I think it is fair, and I certainly hope, Mr. President, our colleagues will look favorably upon this piece of legislation now before the Senate.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. I yield to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I would like to lend my enthusiastic support to this amendment. It deals with an obviously unintended consequence of the farm credit legislation, which was signed into law earlier this year by the President, and I commend my colleagues for addressing this very important issue.

The Agricultural Credit Act of 1987 was landmark legislation in that it provided a Federal safety net for the Farm Credit System along with an infusion of low-cost funds to troubled System institutions. Restructuring of the System was also directed to increase operating efficiencies.

In helping to keep struggling Farm Credit System institutions afloat, we also provided crucial support to farmer/borrowers who rely on the System for operating loans and long-term real estate financing. All of this was accomplished at minimal exposure to the Treasury and the taxpayer.

An integral element of the act was the self-help feature required of the System. Through a one-time assessment of healthy System institutions, a Financial Assistance Trust Fund was established. I strongly support this self-help concept, which was an impor-

tant factor in keeping the act "off-budget."

Under the formula which was utilized to fund the trust fund, Production Credit Associations [PCA's] were assessed about \$177 million. This amounts to 4.43 percent of the \$4-billion trust fund created by the law. The unfortunate and unintended result of this assessment, however, was the hardship imposed on some associations.

Several examples of the effect of the assessment on associations have been cited. Let me use the South Central Kansas PCA as another example. Prior to the assessment, this was a healthy, profitable, efficient association. However, this association was assessed \$4,514,000 under the formula. Funds for the assessment had to be borrowed. For an association with a total loan volume of approximately \$9,000,000, this was an enormous increase in their cost of funds which will have to be passed on to borrowers.

According to statistics from the association, the rate which they are required to charge their borrowers just to meet operating expenses jumped from 8.25 percent before the assessment to 15.25 percent after the assessment. I do not have to tell my colleagues how farmers will feel about borrowing their operating funds at 15.25 percent. There is obviously no way the South Central Kansas PCA can compete in the marketplace if they are forced to charge these rates.

It seems to me that this runs completely counter to the intent of the Agricultural Credit Act. The goal of the act was to enable System institutions to compete, not to be forced into liquidation.

This amendment is a reasonable way to remedy the situation without altering the formula under which PCA's contribute to the trust fund. It would merely allow an association to contribute as assistance is granted to the System, in the identical proportion to the original assessment. Rather than a huge lump up front, associations will have the use of their funds until such time as further assistance is needed by the System.

Let me stress that this amendment does not in any way represent an effort by PCA's to back out of their part of the self-help portion of the law. Instead, it will allow them to remain competitive in providing essential credit services to their borrowers. At the same time, it maintains their commitment to helping with the Farm Credit System's restructuring and recovery.

I know that this amendment will benefit PCA's in many of my colleagues' States. Passage of this amendment is crucial to the health of these associations, and I urge that it be given quick approval by the Senate.

Mr. President, let me repeat that I am a strong supporter of the self-help mechanism which is an integral part of the Agricultural Credit Act.

I certainly think the forceful argument of the Senator from Indiana [Mr. LUGAR], is one which we can all sympathize with. It is difficult to find a fair comparison, but if I may I will again just cite an example which I think is an illustration of the problems we face.

The South Central Kansas PCA is such an example. Prior to the assessment this was a healthy, profitable association. However, it was assessed \$4,514,000 under the formula. Funds for the assessment had to be passed on to the borrowers. For an association with a total loan volume of approximately \$9 million, this was an enormous increase in their cost of funds which will have to be passed on to borrowers. For those farmers who are borrowers in that association, just to meet operating expenses, it went from 8.25 percent before the assessment to 15.25 percent after the assessment.

I think this shows, Mr. President, the unintended results of the legislation. I believe that the Bumpers amendment provides a way to address this. I think it does not seriously disrupt the formula that was evolved at a time of the Agriculture Credit Act.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, may I inquire how much time remains?

The PRESIDING OFFICER. The Senator controls approximately 10 minutes.

Mr. COCHRAN. How much time remains for the proponents?

The PRESIDING OFFICER. Four and a half minutes remain to the Senator from Arkansas.

Mr. COCHRAN. Mr. President, I think the distinguished Senator from Indiana has explained very clearly the problem of agreeing to this amendment on this bill. First and foremost, this is obviously a change in the law that is being asked for in the amendment offered by the Senator from Arkansas and others.

We are involved in an appropriations process today, trying to appropriate money for the funding of the Department of Agriculture and related agencies. There may be a need for a technical corrections bill to the Farm Credit Act that was passed last year. But the floor of the Senate and the appropriations bill for the Department of Agriculture is not the appropriate vehicle for that technical corrections bill.

My very good friend from Arkansas points out that this is kind of like the Finance Committee technical corrections bill. I suggest if we had any technical corrections to be made to any tax laws of the United States, he or the leadership of the Finance Committee would be here on the floor strenuously

objecting to any such changes. As a matter of fact, he and I have been working very hard—he is on the Finance Committee—to try to repeal the diesel fuel provisions where farmers have to pay in advance taxes they do not even owe. The towboat and barge industry that operates on the Mississippi River between our two States is having to pay gigantic sums of money into the Federal Treasury that they do not even owe. They are exempted under the tax laws from having to pay what amounts to highway taxes. But we cannot get the Finance Committee to change that.

In this bill, we have expressed our strong concern through the amendment of the Senator from Nebraska, Senator KARNES, that that ought to be changed. But that is about all we have been able to accomplish because of the resistance of the Finance Committee. Here we are with the Agriculture Committee having the Jurisdiction of this legislation and this legislative subject. They understandably resist this change in the law being made without their approval. They have that responsibility.

So that is the situation we are in. I sympathize with the problem that the delta PCA has. I am sure there are other PCA's that would like to change this around. I hope we can get an adjustment made in the law that will make that program a lot more equitable and fair. If that is possible, we ought to try to do it.

Mr. BOSCHWITZ addressed the Chair.

Mr. COCHRAN. Does the Senator from Minnesota oppose the amendment?

Mr. President, I yield the Senator such time as he may consume.

Mr. BOSCHWITZ. Mr. President, I rise today in opposition to the amendment offered by Senator BUMPERS.

Throughout the debate on the farm credit bill last year, I stood firm in my belief that the Farm Credit System should be required to provide some "self-help" first before taxpayer dollars would be put at risk. The bill required a one-time assessment on Farm Credit System banks and associations based on the surplus that was available at year-end 1986. Furthermore, a cushion was allowed in order to protect the capital levels of the institutions. Banks were required to contribute the amount that surplus exceeded 5 percent of assets and associations were required to contribute the amount that surplus exceeded 13 percent of assets.

At year-end 1986 the surplus of the Farm Credit System amounted to \$1.45 billion. The mandatory assessment resulted in the system contributing only \$177 million. This \$177 million has been paid into a trust fund

which is controlled by the Financial Assistance Corporation.

This amendment will significantly alter the Agricultural Credit Act of 1987 just signed into law in January of this year. My colleagues on the Senate Agricultural Credit Subcommittee and I spent most of last year working on this legislation to provide financial assistance to the Farm Credit System [FCS] and its borrowers. Overall, I believe we arrived at a well balanced package that would make up to \$4 billion worth of financial assistance available to FCS and its borrowers.

The amendment proposed by Senators BUMPERS, PRYOR, KASSEBAUM, and McCONNELL would essentially relieve the Farm Credit System of providing self-help. I object to that, Mr. President. We are asking the Farm Credit System to contribute approximately 4½ percent of their available capital at the end of 1986.

It is my understanding that under the amendment, all assessments collected would be returned to FCS institutions. Institutions would then be assessed on an installment basis depending upon the amount of bonds issued to raise the funds necessary to provide assistance to FCS institutions.

At this point I would like to add that one of the principal people who helped us work through farm credit legislation last year was Doug Symms, who is with the St. Louis Farm Credit District.

While it is true that the farm credit law provides the authority for up to \$4 billion in bonds backed by the Government to be issued, it does not mean that if less than \$4 billion is needed, some portion of the mandatory one-time assessment would be returned to FCS institutions who contributed. The assessment funds would serve as an initial protection to taxpayers from defaults on the bonds issued. The funds from the assessment would be hit first in the event there was a default on interest payments or final payments on the bonds.

Each Farm Credit District was authorized to reallocate the assessment among the institutions within the district. This provision was included to allow the district to reallocate assessments to equitably reflect the ability of each institution to make payments. The reallocation was subject to the unanimous consent of the affected institutions within the district. The Texas District took advantage of this reallocation authority.

The mandatory assessment required a modest contribution from Farm Credit System institutions. Let me just briefly outline some of the benefits that have accrued to the System as a result of passage of the 1987 Act. The spread between Farm Credit bonds and comparable Treasury securities has been reduced which means FCS costs of borrowing money from the

capital markets has been lowered. As I recall, the most recent spread between Farm Credit bonds and comparable Treasury securities is about 32 hundredths of 1 percent.

The 1987 Act also returned assessments to FCS institutions which were required under the 1985 Amendments. Contributing banks under the voluntary loss-sharing agreements were relieved of their obligation to pay receiving banks about \$415 million due in the third quarter of 1986. In addition, borrower stock was guaranteed to be redeemed at par value. Furthermore, federal assistance funds are now in place to cover financial difficulties of FCS institutions, of particular importance is the availability of these funds for the Jackson Federal Land Bank. If funds were not available these losses would have to be paid off by other system banks through the triggering of joint and several liability. We had a well-balanced bill and a fair bill.

I must also add that the administration has indicated strong opposition to this amendment. During debate on the farm credit bill last year the administration recommended that the Farm Credit System be required to utilize all its surplus first before any taxpayer dollars were put at risk. We worked with the administration quite closely in crafting the farm credit bill and I do not want to undermine their support for the compromise by the adoption of this amendment. I share their belief that self-help was an essential component of the bill.

In a letter to Senator LUGAR, Secretary Baker indicates that the farm credit law was a carefully crafted compromise and took into account "the responsibilities of cooperative members of a cooperative system to utilize a reasonable amount of their own resources for self-help."

The mandatory one-time assessment was an integral part of the farm credit assistance package. I do not believe that a change of this significance should be attached to an appropriations bill. The Agriculture Credit Subcommittee, of which I am the ranking minority member, has not held hearings on this proposed amendment. I must say that the assessment was discussed thoroughly last year as part of the debate on the farm credit bill. I do not believe that we should be opening up debate on the farm credit bill at this point.

I hope the Senate will reject this amendment.

Mr. COCHRAN. Mr. President, how much time remains?

The PRESIDING OFFICER. There remains 45 seconds to the Senator from Mississippi and 4½ minutes to the Senator from Arkansas.

Mr. COCHRAN. I yield the remainder of my time to the Senator from Nebraska [Mr. KARNES].

Mr. KARNES. Mr. President, in the brief period of time I have, I should like to point out the impact this will have on the markets.

Right now these bonds have been selling at a very favorable rate because of the financial package that has been put together in Congress. They were selling 120 basis points off Treasury and now are selling about 150 points off Treasury. Why? Because of this fund that has been established, this \$177 million we talk about.

If we are going to adopt the Bumpers amendment, which I oppose, this \$177 million will be returned, and what would we have? We would have 5 percent of the total bonds outstanding, which would come to about \$20 million. This would have a dramatically negative impact on the Farm Credit System bonds around the country.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUMPERS. Mr. President, how much time does the Senator from Kentucky wish?

Mr. McCONNELL. Two minutes.

Mr. BUMPERS. I yield 2 minutes to the Senator.

Mr. McCONNELL. I thank my friend from Arkansas for yielding.

Mr. President, I rise today as a co-sponsor of the amendment offered by the distinguished Senators from Arkansas, Senator PRYOR and Senator BUMPERS. This amendment addresses a serious situation which has arisen as a result of the implementation of certain provisions of the Agricultural Credit Act of 1987.

That legislation called for the System to contribute to its own assistance. A one-time assessment was imposed on surplus unallocated retained earnings of farm credit associations in excess of 13 percent of their assets, the theory of this provision being that certain institutions prospered as a result of their affiliation with the Farm Credit System. Before the taxpayer should be asked to provide financial resources the System should first help itself.

In principle I agree with this approach. The System is a cooperative, and when the System prospers, every member prospers. But when the System is troubled everyone must pull together to help. Additionally, the self-help approach allows the bulk of the financial assistance to remain off-budget.

However, for some associations, this assessment has proven to be excessively burdensome. The Agriculture Credit Act allowed for these assessments to be redistributed within a district if everyone agreed to the rearrangement. But this plan requires some associations to vote to increase the assessment on themselves, something which in many districts has not happened.

I believe that it was the intent of this legislation to help the Farm credit System work its way back into viability. It was not the intent of this legislation to force some institutions into nonviability. In Kentucky, this is exactly what has happened. As a result of the assessment, two production credit associations in Kentucky have been forced into the red. Higher interest rates and decreased customer services have followed. In one case, a formerly healthy institution may become a recipient of assistance.

Senators BUMPER and PRYOR have proposed a reasonable solution to this problem. The amendment before us calls for healthy institutions to contribute to the System only when bonds are issued to raise funds for System assistance. This "pay as you go" concept remains true to the belief that the System should help itself, but it allows associations to pay only as the money is needed. CBO has indicated this will not jeopardize the off-budget nature of the Agricultural Credit Act of 1987, and has no budget impact.

I hope my colleagues will empathize with the desperate situation many Farm Credit System institutions now find themselves in. I know in Kentucky, the directors and officers of the associations affected by the assessments were good managers. They were cautious and prudent during the expansion of the late 1970's and early 1980's and as a result were not as severely impacted by the downturn in agriculture experienced this decade. They ran a good shop, and now, because of actions in Washington, they are faced with nonviability. They, understandably, feel penalized for their success.

The Pryor/Bumpers plan is a reasonable response to this serious situation. I thank the two Senators from Arkansas for their leadership with this issue, and I urge the adoption of this amendment.

The PRESIDING OFFICER. The Senator from Arkansas has 3 minutes remaining.

Mr. BUMPER. Mr. President, I applaud the efforts of the Senator from Indiana; the Senator from Oklahoma [Mr. BOREN]; the chairman of the Agriculture Committee, Senator LEAHY; and all others who put the Agricultural Credit Act together in 1987. I voted for it, and I voted for it enthusiastically. But if I had known that it was going to hurt so many innocent people without helping anybody else, I would not have voted for it.

It is a small matter. It is not one of the larger issues in the U.S. Senate. But we will never have the opportunity to vote for an amendment that helps so many people without hurting anybody else.

The Senator from Nebraska has said that these bonds have a favorable rate. They have a favorable rate, but it

is not because of the trust fund. It is because they are guaranteed by the U.S. Government.

When we passed the Agricultural Credit Act, not one soul in this body intended to punish some of the best-run associations in America. What is wrong with allowing these associations to pay their pro rata share on an installment basis? We ask not one favor in this amendment. All we ask for is simple justice, simple fairness.

I said earlier that if I were from Indiana, I probably would not vote for this. I was interested in the statement of the Senator from Minnesota. If I were from Minnesota, I would not be for this either. They have not paid one thin dime into the trust fund, so what does he have to lose? What does anybody here have to lose when they come from a State where they are not hurt? They do not have anything to get hurt with.

Mr. President, I sincerely hope that my colleagues will understand. We were closed out on the farm credit technical corrections bill. We did not have a chance. We either provided relief for these people now, or a lot of them are going to go down the tube needlessly, unfairly, and unjustly. So I plead with my colleagues to support this amendment.

I yield back the remainder of my time.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. May I have 1 minute on the bill?

The PRESIDING OFFICER. Under the time agreement, all time has expired.

Mr. LEAHY. Mr. President, I ask unanimous consent that I may proceed for 1½ minutes.

Mr. BUMPER. What was the request?

Mr. LEAHY. That I be permitted to proceed for 1½ minutes, in opposition to the amendment.

Mr. BUMPER. I have no objection. The PRESIDING OFFICER. The Senator is recognized, without objection.

Mr. LEAHY. Mr. President, I have a great deal of sympathy and enormous respect for the Senator from Arkansas, and I hate to have to oppose him on anything. It is very rare that I do.

This amendment would undermine one of the fundamental compromises reached in the Farm Credit Act of last year. Legislation in not what any one of us individually would have written, but it is resolved by a great deal of compromise.

The Farm Credit System is a cooperative system owned by its farmer borrowers. We made provision in the legislation for the associations in the district to cooperatively work out a redistribution of the one-time assessment. The St. Louis District, which includes

the Delta PCA, did not agree to redistribute the assessment.

I would not want to see us reopen the Farm Credit Act on this item because, if we did, I could think of at least 20 more.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Thirty seconds.

Mr. LEAHY. I yield back the 30 seconds.

Would it be in order, Mr. President, to make a motion to table?

The PRESIDING OFFICER. That motion is in order.

Mr. LEAHY. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll. The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENSTEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KERRY], the Senator from Michigan [Mr. LEVIN], the Senator from Nevada [Mr. REID], the Senator from Michigan [Mr. RIEGLE], and the Senator from Illinois [Mr. SIMON], are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN], is absent because of illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], would vote "nay."

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. McCAIN], the Senator from Connecticut [Mr. WEICKER], and the Senator from California [Mr. WILSON], are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 43, nays 45, as follows:

[Rollcall Vote No. 277 Leg.]

YEAS—43

Armstrong	Gramm	Packwood
Bond	Grassley	Pressler
Boschwitz	Hatch	Proxmire
Breaux	Hecht	Quayle
Chafee	Heinz	Rudman
Cochran	Humphrey	Simpson
Cohen	Karnes	Specter
Cranston	Kasten	Stafford
D'Amato	Kennedy	Stennis
Danforth	Leahy	Stevens
Dole	Lugar	Symms
Domenici	McClure	Trible
Durenberger	Moynihan	Wallop
Evans	Murkowski	
Garn	Nunn	

NAYS—45

Adams	Bingaman	Bumpers
Baucus	Boren	Burdick

Byrd	Hatfield	Mitchell
Chiles	Hefflin	Nickles
Conrad	Helms	Pell
Daschle	Hollings	Pryor
DeConcini	Inouye	Rockefeller
Dixon	Johnston	Roth
Dodd	Kassebaum	Sanford
Exon	Lautenberg	Sarbanes
Ford	Matsunaga	Sasser
Fowler	McConnell	Shelby
Glenn	Melcher	Thurmond
Graham	Metzenbaum	Warner
Harkin	Mikulski	Wirth

NOT VOTING—12

Bentsen	Kerry	Riegle
Biden	Levin	Simon
Bradley	McCaIn	Weicker
Gore	Reid	Wilson

So the motion to lay on the table amendment No. 2761 was rejected.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. PRYOR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question occurs on agreeing to the amendment offered by the Senator from Arkansas [Mr. BUMPERS].

The amendment (No. 2761) was agreed to.

AMENDMENT NO. 2762

(Purpose: To improve the compliance of vendors with the requirements of the WIC program)

Mr. COHEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Maine [Mr. COHEN], for himself, Mr. DOLE, and Mr. McCAIN, proposes an amendment numbered 2762.

Mr. COHEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . Not later than January 1, 1989, the Secretary of Agriculture shall issue interim final regulations that shall improve the performance of State agencies in managing vendors participating in the special supplemental program authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786). None of the funds made available by this Act may be used to carry out such special supplemental program in States that are not in compliance with such regulations. The regulations promulgated by the Secretary shall—

(1) develop techniques and criteria to identify vendors at high risk for abusing such program, and require State agencies to use such techniques and criteria to identify high risk vendors;

(2) require State agencies to perform compliance activities, including compliance purchases periodically for all vendors identified at high risk, and for a random sample of other vendors, to determine whether the vendors are overcharging such program or

violating other requirements of such program;

(3) develop and require State agencies to apply specific sanctions for vendors found to be violating such program requirements, including mandatory disqualification or termination for serious abuses such as systematically overcharging such program; and

(4) establish a standardized appeal process to be used by State agencies as part of the process of disqualifying vendors from participation in such program.

Mr. COHEN. Mr. President, my amendment directs the Department of Agriculture to take steps, quickly and decisively, to put a stop to abuse of the WIC Program by merchants who sell WIC food.

Two weeks ago, the Inspector General of the U.S. Department of Agriculture issued a report that revealed a level of abuse in the Special Supplemental Food Program for Women, Infants, and Children—better known as the "WIC" Program—that is truly alarming. According to that report, an audit of the WIC Program in seven States showed a high incidence of abuse by 82 of 107 retail food vendors reviewed. The audit showed that the 82 vendors found to be abusing the program overcharged WIC by an average of 28.5 percent over the actual price of food purchased. One of the vendors included in the audit inflated reimbursement requests for a sampling of food vouchers by an average of 62 percent.

The seven States included in the audit account for about 20 percent of WIC expenditures. The 107 vendors reviewed were primarily nonchain-type stores located in major metropolitan areas. Computer analyses of WIC food vouchers redeemed by the vendors showed irregular pricing patterns which led the auditors to suspect abuse.

Although the results of this audit cannot be assumed to represent the incidence or cost of WIC abuse nationwide, neither can we afford to take its findings lightly. This Senate is struggling to find funding for the WIC Program sufficient to serve even half of the low-income pregnant women, infants, and young children eligible for its benefits. Vendor overcharging virtually takes food from the mouths of poor pregnant women, infants, and children.

In administering the WIC Program, States have considerable latitude and there are considerable differences in the efforts States make to minimize WIC Program abuse by vendors. I believe that there are steps that all the States should be taking to prevent vendor abuse of WIC. This amendment directs the Food and Nutrition Service of USDA to develop and provide to the States techniques and standards which would help the States identify, catch, and punish vendors who abuse the WIC Program. It would

direct the Food and Nutrition Service to:

Develop techniques and criteria to identify vendors at high risk for abusing the WIC Program, and require State agencies to use these techniques and criteria to identify high risk vendors;

Require State agencies to perform "compliance purchases" periodically for all vendors identified at high risk, as well as for a random sample of other vendors to determine whether the vendors are overcharging the WIC Program or violating other regulatory requirements of the WIC Program;

Develop and require State agencies to apply specific sanctions for vendors found to be violating WIC Program regulatory requirements, including mandatory disqualification or termination for serious abuses such as systematically overcharging the WIC Program; and

Codify a standardized appeal process to be used by State agencies as part of their disqualification process.

The amendment I am offering today seeks to reclaim from the pockets of unscrupulous merchants the precious resources we need to give our most vulnerable children a chance to grow and to flourish. WIC is universally recognized as a veritable lifesaver and as amply repaying our investment in it. We cannot afford—and certainly, malnourished infants and children cannot afford—to be cheated of its benefits.

I believe this amendment enjoys the support of the managers of the bill. Senator DOLE and Senator McCAIN are cosponsors of the amendment. I ask that it be adopted.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from Maine?

Mr. COCHRAN. Mr. President, we have reviewed the amendment. We think it makes some important changes in the direction that is being given to the inspector general in this area. We recommend the amendment be approved.

Mr. BURDICK. Mr. President, I concur with the statement of my colleague and ask that the amendment be approved.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2762) was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, there was an amendment previously agreed to offered by Senators HATCH, KENNEDY, INOUE, and CRANSTON, amendment No. 2756. I ask unanimous

consent that the Senator from California, Senator WILSON, be added as a co-sponsor to that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2763

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Nebraska [Mr. Exon] proposes an amendment numbered 2763.

At the appropriate place in the bill insert the following:

"Sec. . . None of the funds made available in this or any other act shall be used to implement the sugar quota increase announced by the Secretary of Agriculture and the United States Trade Representative on July 22, 1988, until the Secretary certifies to the Senate Committee on Agriculture, Nutrition, and Forestry, and the House Committee on Agriculture, based on the August 12, 1988, Crop Report or subsequent reports, that such action will not result in forfeiture of domestically produced sugar to the Commodity Credit Corporation.

Mr. EXON. Mr. President, I rise to offer an amendment to the agriculture appropriations bill regarding sugar. This amendment requires the Secretary to certify that the recently announced quota increase will not result in the forfeiture of domestically produced sugar to the Commodity Credit Corporation.

Earlier this month the Secretary of Agriculture and the U.S. Trade Representative announced a 300,000-ton increase in the sugar import quota. I am not convinced we need it and I certainly do not believe it is in the best interest of sugar beet or cane growers.

The price of raw sugar during the last few weeks has exceeded the established market stabilization price by about 2 cents. That is good news for sugar beet growers. But now the Secretary of Agriculture and the U.S. Trade Representative have come along with a quota increase which threatens to eliminate any gains that domestic sugar producers could expect.

The quota increase concerns me for another reason that I am sure many of my colleagues here are concerned about as well. That is the adverse impact this quota increase could have on the budget. Increased imports could result in the forfeiture of domestically produced sugar to the CCC. If forfeitures occur, it is going to cost the Federal Government—and we all know about Uncle Sam's fiscal condition.

If every additional pound of sugar allowed into the United States under this quota resulted in a corresponding forfeiture of domestically produced sugar, we could expect increased outlays of over \$100 million. That amount would have to be made up by a reimbursement from the Federal Government to the CCC at some point in the future. It is impossible to know at this

time how much sugar would be forfeited, but the point is—this quota increase could result in increased outlays by the CCC. It will not show up sometime and could affect some future Gramm-Rudman snapshot. The potential for budget exposure is out there.

I am sure there are those within the administration who will tell us that this will never happen. Indeed, the 1985 farm bill requires that the Secretary do everything he can to avoid sugar forfeitures. But I am not convinced the administration is committed to that goal.

Over a year ago our own Trade Representative made a few remarks about U.S. sugar production.

I ask unanimous consent that an article in the Journal of Commerce dated Wednesday, January 14, 1987 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. A 1987 article in the Journal of Commerce says the aim of the administration's efforts would be the eventual phasing out of sugar production in the United States. I cannot stand for that. I do not believe the U.S. Senate can stand for that. I know that Nebraska sugar beet growers cannot stand for that. But an ill-conceived increase in import quotas would certainly be a step in that direction.

I am not convinced this increase in imported sugar is needed. Part of the reason prices for raw sugar have risen is the drought and its impact on sugar production. Unfortunately, I do not believe the Secretary or the U.S. Trade Representative have a very good handle on the impact of the drought on domestic sugar production.

Mr. COCHRAN. Mr. President, if the Senator will yield, we are prepared to recommend to the Senate that his amendment be agreed to.

Mr. EXON. I appreciate that very much. I think that, with the good word that we have just had from the ranking member and manager of the bill, I would simply say that I hope that a thorough study of this will be made. The next crop report is due out of the USDA on August 12 and the Secretary ought to have the benefit of that information before he takes any action which could increase sugar forfeitures to the CCC.

My amendment takes all of these concerns into account. It simply says that none of the funds made available in the agriculture appropriations bill can be used to implement this quota increase until the Secretary of Agriculture certifies that it will not result in increased forfeitures of domestic sugar to the CCC.

In light of the policy objectives our Trade Representative and the Secretary have followed, I believe this amendment makes a good deal of

sense and I urge its immediate adoption.

With the good news that I just heard from my friend and colleague from Mississippi, certainly I think there is no need to have a rollcall vote on this. I have never been one who believes we should have rollcall votes for the sake of having rollcall votes.

If both sides agree, it would be perfectly acceptable to have a voice vote.

EXHIBIT 1

WHITE HOUSE PROPOSES SUGAR PRICE SUPPORT CUT

(By Canute James)

KINGSTON, JAMAICA—The Reagan administration soon will begin efforts aimed at reducing price supports for U.S. sugar producers.

Clayton Yeutter, the U.S. Trade Representative, said here that the administration planned to propose legislation to cut the price support by a half over five years.

Mr. Yeutter said it was proposed that producers would be compensated with cash payments to offset their losses.

The trade representative is in Jamaica with a delegation of congressmen from the Ways and Means Subcommittee on Oversight, which is studying the impact of the Caribbean Basin Initiative. Mr. Yeutter indicated that the largest payments to the U.S. sugar producers would be made in the final year of the reductions.

He said the aim of the administration's efforts would be the eventual phasing out of sugar production in the United States.

Mr. Yeutter did not say when the legislation would be presented, but indicated that getting it passed could be difficult as he was anticipating political opposition to proposals.

"The odds are slim if you appraise them on the basis of past experience." Under the price support system, producers get about 18 cents for each pound of sugar. The system, and cutbacks in U.S. import quotas, have been attacked by Caribbean sugar exporters that previously had a slice of the U.S. market.

"I do not like the present sugar policy," Mr. Yeutter said at a press conference here. "It is worse today than it was in the 1970s. It should be changed and phased out over time, but this would not be easy."

He reported that the cost of the cash compensation for domestic sugar producers had not yet been worked out, but it was likely to amount to many billions of dollars.

"Hopefully the marginal producers would drop out, leading to reduced production," Mr. Yeutter explained. With reduced domestic output there would be a larger U.S. market for imports from traditional suppliers, he said.

The trade representatives said that if there was no change in the price support system, then U.S. import quotas would again be cut for supplies in 1989.

"The only other thing that will lead to an increase in quotas is very bad weather in the United States."

He claimed that there was increasing recognition in the United States that high price supports for sugar did not make good economic sense.

Sugar producers hoping for increased access to the United States should not be overly optimistic, the trade representative warned.

Sugar is losing its market share to sweeteners. "Sugar will never regain the market share of 20 years ago."

He told the press conference that the Reagan administration was also trying to get changes in the trade in sugar through international trade talks, which would be aimed at a reduction in production by developed countries and increased market opportunities for developing countries.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the Secretary of Agriculture is required by law to administer the Sugar Program at no net cost, no net cost to the taxpayer. This amendment is really not needed in terms of holding down the costs, but it does require a report by the Secretary to the appropriate committees of the Congress on the way the program is being implemented.

The Secretary is able to comply with that and we recommend the amendment be approved.

Mr. EXON. I ask that Senator McCURE from Idaho be added as a cosponsor to the amendment; and also the Senator from Louisiana [Mr. BREAUX].

The PRESIDING OFFICER (Mr. PRYOR). Without objection, it is so ordered.

The Senator from North Dakota is recognized.

Mr. BURDICK. Mr. President, the purpose of this legislation is it prohibits the Secretary from implementing the increase in the sugar quota unless he certifies to the Agriculture Committee that such action will not increase forfeitures of domestically produced sugar to the CCC.

I think it is an excellent amendment, and we support it.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KARNES. I compliment the distinguished Senator from Nebraska and ask to be added as a cosponsor.

The PRESIDING OFFICER. Without objection.

Mr. EXON. I thank my colleague from Nebraska. I believe we probably could proceed to a vote at this time; if I could make that suggestion to the Chair.

The PRESIDING OFFICER. Is there any further debate on this amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2763) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BURDICK. Mr. President, I move to lay that motion on the table. The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KARNES. Mr. President, I ask unanimous consent that I be allowed to call up one of Senator DOLE's amendments listed on the unanimous-

consent agreement that would improve the provision of funds to certain trade centers.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2764

(Purpose: To improve the provision of funds to certain trade centers)

Mr. KARNES. On behalf of myself and Senator DOLE, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. KARNES], for himself, Mr. DOLE, Mr. WALLOP, and Mr. SIMPSON proposes an amendment numbered 2764.

Mr. KARNES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, line 1, after "3292", insert the following: "Provided, That the Secretary of Agriculture shall provide \$2,500,000 to the Mid America World Trade Center, using funds appropriated for fiscal year 1988, to enhance the exportation of agricultural and related products and other manufactured products, to remain available until expended".

At the appropriate place, insert the following new

SEC. . Section 1458A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292) is amended—

(1) by amending the section heading to read as follows: "grants to states and regional organizations for trade centers";

(2) in the first sentence of subsection (a)—
(A) by inserting "and accredited, private sector world trade centers organized on a multi-State regional basis" after "States";

(B) by inserting "and such regional trade centers" after "international trade development centers" both places it appears; and

(C) in the first sentence of subsection (a), by inserting before the period the following: "and other products produced or manufactured in a region".

(3) in the second sentence of subsection (a), by striking out "State" and all that follows through "government" and inserting in lieu thereof "non-Federal funding"; and

(4) in subsection (b)—

(A) by inserting "and regional trade centers described in subsection (a)" after "States"; and

(b) by inserting "and regional trade centers described in subsection (a)" after "international trade development centers".

Mr. KARNES. Mr. President, on behalf of the distinguished, Republican leader, Mr. DOLE, the Senator from Wyoming, Mr. WALLOP, and myself, I am offering this amendment as a technical correction to the 1985 farm bill language for international trade centers. This amendment has been cleared by both floor managers and by the Department of Agriculture.

The reason for this amendment is that \$2.5 million was provided in last

year's continuing resolution for the Mid-America World Trade Center. However, due to language in the 1985 farm bill, the Department of Agriculture is prohibited from actually delivering the already appropriated funds directly to the trade center.

The Mid-American World Trade Center was initiated to enhance export activities for States in the Midwest region. Another function is to attract business to States including Wyoming, Oklahoma, Nebraska, Colorado, North and South Dakota and, of course, Kansas.

Mr. President, the Mid-America World Trade Center located in Wichita, KS, has been in existence for a year and a half. Its agricultural export focus has found great receptivity among ag America. This appropriation can thus be truly characterized as seed money, although the seeds for export enhancement have been planted previously and this finding will, indeed, assist in assuring the center's growth and service to the vitally important ag economies of these Midwestern States.

Within 5 years the center plans to be self-funding and self-supporting on the basis of fees from its member States and member industries.

A trade center in this region is greatly needed to provide increased momentum into export development for the Midwestern region. Many small businesses and farmers have no idea how to market their products abroad, and the trade center lends its expertise and will help finalize export opportunities with foreign countries and industries located in those countries, particularly in the Far East.

Mr. President, I note with some enthusiasm the agreement that has just been struck with Japan and Korea dealing with beef and the trade that is directed to that part of the world. That is an important opportunity for those of us who are interested in this trade center to additionally educate midwesterners to take advantage of export opportunities.

Let me just cite the value added and processed products of the Midwest that will be benefited by this trade center. We have a long-term goal with this trade center to enhance, to a measurable degree, the exportation of agricultural products, including processed byproducts, and products and services of industries that are an integral part of these Midwestern States.

Mr. President, similar language was passed by the Senate in the omnibus trade bill. The language was dropped in conference after the \$2.5 million was appropriated in the fiscal year 1988 agricultural appropriations bill last year. This would seem to have eliminated the necessity for amending this authorizing language, but as it turns out, as I mentioned earlier, the Department of Agriculture had some

legal obstacles to overcome in order to deliver the funds where they were intended.

This amendment accomplishes that goal and directs those funds to the Mid-America World Trade Center that had been approved last year.

Mr. President, that concludes my remarks. I ask that the Senator from Wyoming, Mr. SIMPSON, be added as a cosponsor of this amendment.

The PRESIDING OFFICER (Mr. Exon). Without objection, it is so ordered.

Mr. BURDICK. Mr. President, in 1988, \$2,500,000 was made available for the Mid-America World Trade Center in Kansas. Since it is a private entity, USDA said it could not give the money directly to the center. USDA offered to give the money to the Governor of Kansas for him to give to the center. The Governor apparently refused saying he does not want the money. USDA offered to give the money to the land grant university in Kansas which was willing to take the money, but wanted a percentage of it for administrative expenses. Some also feel that if the money goes through the State of Kansas, it would look like a single State project instead of the regional project it is designed to be.

I think the amendment is supportable, and I suggest it be adopted.

Mr. COCHRAN. Mr. President, the trade center amendment offered by the distinguished Senator from Nebraska and Senators DOLE and WALLOP will make funds available that were appropriated last year to be used for this important center during the next fiscal year.

The Department of Agriculture has been consulted about this amendment and says that it has no objection to the adoption of it. We recommend that it be approved.

The PRESIDING OFFICER. Is there further debate on the amendment? Does the Senator from Nebraska seek recognition?

Mr. KARNES. I urge the adoption of the amendment, Mr. President.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2764) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BURDICK. I move to lay that motion on the table.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, it is my understanding that the fiscal year 1989 agriculture appropriations bill contains up to \$3,000,000 for the Food and Drug Administration to support a demonstration project in biotechnology.

Mr. BURDICK. That is correct.

Mr. BUMPERS. Mr. President, I understand that the entire \$3,000,000 is to be used at the National Center for Toxicological Research for the critically important demonstration project to enhance U.S. competitiveness in biotechnology. I also understand that these funds will be used to begin efforts required to renovate the vacant space at NCTR, including such activities as: Determining the mix of general use and private laboratory space required; specifying the types of equipment that would be utilized by the largest number of potential users of this space; performing the architectural and engineering work required to design the finished facility; and developing other infrastructure required for the finished facility.

Mr. BURDICK. The Senator's understanding on these points is correct.

Mr. BUMPERS. Mr. President, it is also my understanding that the rapid development of this demonstration project could be very important to U.S. competitiveness. I would like the record to indicate the committee's strong interest in this undertaking and to ask that the Department of Health and Human Services devote the necessary resources to guarantee the expedited review and approval of all proposed contracts and other documents in order to minimize time delays associated with this project and to assure that all proper procedures are accomplished within the minimum length of time.

Mr. BURDICK. The Senator has accurately described the committee's interest in this important project.

Mr. HATCH. Mr. President, as the original author of this provision, I agree with the discussion of my two colleagues. This demonstration program is an exciting new way to achieve an expended, public and private sector partnership in the biotechnology arena.

Mr. DURENBERGER. Mr. President, in reviewing the committee report accompanying the fiscal year 1989 agriculture and related agencies appropriations bill, I noticed that a number of earmarkings contained in the House report were deleted. While I cannot speak for other Members of the Senate whose projects were not contained in the Senate report, I do feel a need to express my concern for the impact the committee's action will have on a number of important projects in Minnesota.

As the distinguished chairman may recall, the projects in question were the subject of a conversation between the chairman and the Governor of Minnesota shortly after the subcommittee markup and before the full committee markup. Acting at the Governors request, Senator BOSCHWITZ joined me in following up on that meeting by drafting and handing the chairman, a letter outlining the States

request. Although the Governor's request was slightly tardy, we were all disappointed to find that the committee was unable to accommodate our projects.

These projects are not budget busters or academic pork. The combined cost of all nine projects is \$200,000, and I can assure my colleagues that each one will produce extremely important benefits for farmers and consumers all across the Nation. I wonder if the distinguished chairman and ranking member could comment on the import of the committee's decision not to earmark funds for these projects in the Senate bill.

Mr. President, I ask unanimous consent that a description of these projects be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Proposer	Project
Agricultural Experiment Station, University of Minnesota.	Costs and benefits of pelletizing soybean meal for export.
CENEX-Land O'Lakes....	Soybean oil as a herbicide additive and grain dust suppressant.
Moorhead State University and American Crystal Sugar.	Methods to make sugarbeet molasses suitable for human consumption.
Dept. of Food Science and Nutrition, University of Minnesota.	Effect of sugarbeet fiber on human physiology.
Dept. of Food Science and Nutrition, University of Minnesota.	Feasibility of using plastic films containing biodegradable cornstarch as food containers.
Minnesota Wheat Research and Promotion Council.	Evaluation of Hard Red Spring Wheat flour and gluten as more effective binder in fish feed products.
Gray Freshwater Biological Institute, University of Minnesota.	Deriving a substance used in the production of non-corrosive deicers from agricultural waste residues such as corn cobs.
Science & Technology Resource Center, Southwest State University.	Testing improved means of controlling bacterial contamination in the fermentation of alcohol derived from corn.
Soil Science Department, University of Minnesota.	Biodegradability of cornstarch incorporated plastic films.

Mr. BURDICK. Mr. President, I thank my good friend and neighbor for bringing this to the committee's attention. Let me first state that the House position on these projects speaks loudly to their merits. The absence of a specific earmark in the Senate bill should not be viewed as a negative act. Rather, I would hope the Senator would view the committee's action as the result of many requests and little resources. Because these projects are contained in the House report, they will receive very serious attention in the ensuing House-Senate conference on this bill.

Mr. BOSCHWITZ. Mr. President, does the distinguished ranking member of the subcommittee care to comment on the colloquy entered into between the chairman and the distin-

guished senior Senator from Minnesota? As a strong supporter of these projects, it was my strongest hope that the committee would be able to fund these important activities. I certainly hope the absence of funds does not represent the committee's position on the merits of these projects.

Mr. COCHRAN. Mr. President, let me assure both of my good friends from Minnesota that the committee's action should not be viewed as a negative statement on the merits of these projects. Quite frankly, the committee had so many requests for funding projects that were meritorious we could not approve all of them. These projects will be addressed in conference, and the fact that the two distinguished Senators from Minnesota support the projects, will carry great weight with me in conference.

Mr. DURENBERGER. I thank my good friends from North Dakota and Mississippi for their comments on these projects. It is reassuring to know that they know of these projects and view them favorably.

Mr. BOSCHWITZ. Mr. President, let me add my words of thanks to those of my colleague. The chairman and ranking member should be commended for the excellent work they have done on this bill. I look forward to similar good works in conference.

Mr. BURDICK. Mr. President, I thank both of my colleagues for their patience and understanding. It is my hope that we may be able to come back from conference with a more responsive bill.

Mr. COCHRAN. Mr. President, I share the chairman's feelings, and thank my two friends for their willingness to work with the committee.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 2765

(Purpose: To prohibit the appropriation of funds for the planning and construction of certain new projects unless a feasibility study has been completed)

Mr. BOND. Mr. President, I send an amendment to the desk on behalf of myself and Mr. Boschwitz and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. BOND), for himself and Mr. Boschwitz, proposes an amendment numbered 2765.

Mr. BOND. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 13, line 23, strike out the period and insert in lieu thereof a colon and the following: "Provided, further, That no funds shall be appropriated for the planning and construction of new projects, as determined

by the Secretary of Agriculture, for which no feasibility study has been completed: Provided, further, That of the amounts made available under this heading, \$3,450,000 shall be made available for higher education grants under section 1417(a) of Public Law 95-113, as amended (7 U.S.C. 3152(a)).".

Mr. BOND. Mr. President, this is a very simple amendment, and I hope it can be agreed to on both sides. Essentially, I am reducing the amount of funding in the building facilities account and transferring it to the higher education under the Cooperative State Research Service [CSRS].

I have had the opportunity to meet and talk with students in the National Needs Graduate Fellowship Program. I am impressed by what they have and are doing for the agricultural future of this country.

When I approached the agriculture appropriations bill, it was with some degree of trepidation. I was hoping there would be sufficient funds available to increase the national needs program. In discussions with colleagues, I soon discovered there was not much room to maneuver.

I set about looking through the bill to see if there was room to transfer. Senator LEAHY has indicated he wants to transfer funds from the Agricultural Research Service [ARS] so I could not tap that fund. Extension, food safety, for foreign agriculture service, we checked all those. Then I checked more closely the buildings and facilities account. This account traditionally provides funds for three distinct phases of a project.

The first phase is a feasibility study which gives the committee and Congress an opportunity to review whether the project is necessary, and if it is a high enough priority to use tax dollars to fund it.

This is clearly our way of ensuring that we do not finance any redundant boondoggles. In this bill, there are six new feasibility studies that are funded. Each of these is funded at \$50,000. The second phase is the planning phase. Here the committee reviews feasibility studies and determines projects are, indeed, worth pursuing, and provides funds for preconstruction activities.

Again, there are several projects in that category. The final phase is actually construction. The bill provides construction moneys for several projects. For example, there are dollars to rebuild a maple research laboratory which was damaged by fire, a biocontainment research center at the University of Georgia, and numerous others. However, I note, Mr. President, three projects were receiving appropriations for all three phases at once. In discussing this issue with the U.S. Department of Agriculture, I discovered that they did not know anything about these projects. Therefore, it seemed fair to strike the dollars for

planning and construction yet leave \$50,000 for the feasibility studies for each of these projects.

Mr. President, it certainly seems reasonable to me that we allow the subcommittee and the new administration the opportunity to see feasibility studies on these proposals before we agree to build them, particularly during these tough budget times. My amendment would reduce the buildings and facilities account by \$11,500,000. These funds would be transferred to the national needs program on a spend-out basis which would add a total of \$3,450,000 to the program.

Mr. President, in 1984, Congress funded USDA's National Needs Graduate Fellowship Program to help meet the Nation's needs for the development of professional and scientific expertise in food and agriculture sciences. Specifically, they included four main areas—biotechnology, food science and human nutrition, food and agricultural marketing and agricultural engineering. The USDA national needs is the only program directed exclusively to the development of professional and scientific expertise in the food and agricultural sciences. All U.S. colleges and universities that confer a graduate degree in one or more of the targeted food and agricultural sciences are eligible to participate. Ninety percent of the original earmark of \$5 million went to doctoral fellows; 10 percent went to masters fellows.

By 1988, the funding has decreased to \$2.8 million. This support was limited to doctoral fellows in two targeted areas: biotechnology and food science and nutrition. Only 21 of 120 proposals were accepted. Twenty-one proposals will support 3 years training for 58 doctoral fellows in 17 institutions in 15 States. In the past, the Senate has supported increased funding for this program only to have it eliminated by the House in conference.

This gives the Senate a chance to send a very clear signal of our support for this program and our support for the development of scientific and technical knowledge in agriculture. This is vitally important, not only to agriculture but to the future of our Nation.

I believe based on my discussion with many of my colleagues that there is a great deal of support for the development of new technology in the agriculture sciences. We must remember that quality researchers lead to quality research. My amendment recognizes this fact and provides an efficient, and I think fair, way to increase the much-needed investment in our future.

I hope it can be accepted by both sides.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BURDICK. Mr. President, does the Senator have a list of the projects that would be affected by this? I have not seen the amendment, by the way.

Mr. BOND. I apologize. We will provide the Senator a copy of the amendment. The projects for which there have been no feasibility studies done, according to the USDA, are the Institute for Earth System Science, University of North Dakota; the Industrial Agricultural and Communications Center in North Dakota State University; and the Northern Biostress Laboratory at South Dakota University.

Mr. BURDICK. As I understand it, it also includes a building in Iowa, and also a building in Vermont, in addition to those the Senator mentioned?

Mr. BOND. In our amendment, we provide for secretarial discretion because, as I mention in my remarks, the research laboratory in Vermont is a replacement for a burned-out facility. The Secretary of Agriculture supports that facility because it has been utilized in the past. It is not new construction. There is secretarial discretion in the amendment which would allow him to fund that, or any of the other projects, if the feasibility study is warranted.

Mr. LEAHY. Mr. President, if the Senator will yield for just a moment, the amendment sounds better all the time. I just thought I would mention that—talking about Vermont.

Mr. BURDICK. Mr. President, I am going to move to table the amendment when all have spoken.

Mr. BOND. Mr. President, might I address a question to the manager of the bill?

Mr. BURDICK. Yes.

Mr. BOND. Is it not the practice to conduct feasibility studies before one enters into projects?

Mr. BURDICK. That is correct.

Mr. BOND. I call to the manager's attention the fact that I have—

Mr. BURDICK. That is not an absolute rule. Sometimes it happens and sometimes it does not.

Mr. BOND. What is the purpose for having feasibility studies may I inquire of the manager?

Mr. BURDICK. Sometimes it is not required.

Mr. BOND. The USDA has no knowledge of these programs, and does not support funding for them in the absence of a feasibility study. I might ask since we have had no discussion on these or no feasibility studies, why are they not warranted?

Mr. BURDICK. The reason is they have been approved by the committee. That is why. They have been approved and ready to go.

Mr. BOND. They have not yet been approved by this body. I am inquiring as to what the feasibility of them is, why they qualify, since the USDA does not support them. We have had no feasibility studies. On what basis

should we go ahead with the funding? I would like to find out. That is why I say we should leave feasibility studies in for them. Why are they needed?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. LEAHY. Mr. President, could that be withheld just a moment?

Mr. President, I do not know if this is going to be at all a protracted matter as the managers and proponent work this out. I have an amendment that has been cleared on both sides regarding the bill. If the Members are going to take a few minutes to work this out, and if the distinguished Senator from Missouri is agreeable, I could ask the managers or I could ask unanimous consent to temporarily lay aside the amendment of the Senator from Missouri and just bring up mine. If mine turns out not to be cleared, I will be willing to pull it back out.

Mr. BOND. I have no objection, Mr. President.

Mr. COCHRAN. Mr. President, we have no objection. We ask unanimous consent that the Bond amendment be temporarily laid aside and that the Senator from Vermont be permitted to offer his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2766

(Purpose: To amend H.R. 4784 by making appropriations for child nutrition, the Temporary Emergency Food Assistance Program, food stamps and for other purposes)

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 2766.

Mr. LEAHY. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 57, on line 16, strike "\$4,573,816,000," and insert in lieu thereof "\$4,590,816,000," and, on line 18, strike "\$480,544,000" and insert in lieu thereof "\$497,544,000".

On page 60, on line 15, strike "\$13,412,955,000;" and insert in lieu thereof "\$13,598,955,000".

On page 61, after line 17, insert a new paragraph to read as follows:

"For necessary expenses to carry out section 110 of the Hunger Prevention Act of 1988 (S. 2560), \$40,000,000."

On page 61, after line 24, insert a new paragraph to read as follows:

"For purchases of commodities to carry out the Temporary Emergency Food Assistance Act of 1983, as amended by section 104 of the Hunger Prevention Act of 1988, \$145,000,000."

Mr. LEAHY. Mr. President, this amendment to H.R. 4784 makes appro-

priations for the Hunger Prevention Act of 1988 which we passed this week by a vote of 90 to 7.

That bill represents the determination of the Senate to take a stand on hunger and to improve the nutritional health of millions of needy Americans.

This amendment fulfills that commitment to the elderly, the disabled, millions of needy children and other hungry Americans. Over 65 percent of the benefits of the Hunger Prevention Act of 1988 go to children or the elderly.

This amendment provides appropriations for the important child nutrition improvements we made in the school breakfast, summer feeding and child care food programs. The nutritional health of America's children is a vital priority of Congress.

We have made it clear from the beginning that the TEFAP and soup kitchen purchases of additional commodities are mandatory under the "Hunger Prevention Act." Our report on that bill emphasizes the legal right of States to receive those commodities and the legal duty on the Secretary to provide those commodities. My floor statement on the bill and the report makes it clear that States could legally enforce that duty in the courts. This point was also made clear in committee.

This amendment will avoid the need for litigation since it provides funding for the purchase of \$145,000,000 worth of high protein commodities to supplement the surplus flour, cornmeal, and butter which will continue to be distributed through TEFAP. TEFAP has become a vital lifeline to millions of Americans who often have to stand in long lines to get these commodities.

This amendment will also avoid litigation regarding the required \$40 million purchase of commodities for soup kitchens and other congregate meal sites. I want to emphasize that these appropriations in no way undercut the entitlement nature of both of those additional commodity programs.

This amendment will also provide the appropriations needed to make the required improvements in the Food Stamp Program set forth in the Hunger Prevention Act.

The drought which we discussed yesterday on the floor is already driving up retail food prices and it is imperative that we assist those most in need in purchasing an adequate diet.

America has a moral responsibility to feed the hungry and these appropriations fulfill that important commitment.

Mr. COCHRAN. Mr. President, the Congressional Budget Office has reviewed this amendment. They tell us there is no cost added to the bill by this amendment. It seems to me it is a good amendment. For my part, for

this side of the aisle, I recommend it be approved.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Vermont [Mr. LEAHY].

The amendment (No. 2766) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BURDICK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. I thank the Chair. I thank the distinguished Senator from Missouri for allowing me to step in.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, it is not hard to observe that on a Friday afternoon not a damn thing is happening on the floor of the Senate. It is also not hard to observe that the majority leader has in the past suggested that the Chair when he found an absence of action would put the question and have third reading.

I do not know what has happened to the standards and qualities that the majority once suggested that we have, but I would suggest that the Chair put the question. There is nothing going on.

We have a bill here in front of us which deserves to go down in defeat because of the overspending that is in there, the pork that is in there. But we cannot even do that unless the Chair would permit the vote on that.

Mr. BOND. If thing is pending I urge my amendment be agreed to.

Mr. WALLOP. The standard is that we really ought to have a question.

The PRESIDING OFFICER. The Chair wishes to advise the distinguished and learned Senator from Wyoming that the Chair has attempted to put the question on one or two occasions, as the Senator from Missouri will attest to, and other proper and intervening motions and those seeking recognition took place.

I would simply advise the Senator from Wyoming that it is not the Chair that is delaying this at all.

Mr. WALLOP. Mr. President, the Senator from Wyoming has no wish to blame the current occupant of the Chair, only the procedure which is going on in the Senate right now, one-sided, unfair wholly political, and basically not devoted to the farmers of America but to certain political agendas.

I realize the Chair itself is not responsible for that, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair is very nonpolitical.

The Chair recognizes the Senator from North Dakota.

Mr. BURDICK. I move to table the amendment.

The PRESIDING OFFICER. Did the Chair hear the Senator from Wyoming suggest the absence of a quorum?

Mr. COCHRAN. Will the Senator withhold that?

Mr. WALLOP. The Senator did, but at the same time, the Senator from North Dakota was recognized. The Senator from Wyoming would withdraw that.

The PRESIDING OFFICER. The Senator from North Dakota seeks recognition. The Chair recognizes him.

Mr. BURDICK. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table. The amendment of the Senator from Missouri.

(Putting the question.)

The PRESIDING OFFICER. The Chair is unable to determine the proper division of the vote, and to bring the matter to a proper head, the Chair will rule that the ayes appear to have it, the ayes do have it, and the motion to table is agreed to.

So the motion to lay on the table Amendment No. 2765 was agreed to.

Mr. WALLOP. Third reading.

The PRESIDING OFFICER. Are there further amendments on the measure before us?

If not, we will proceed to third reading.

The bill was read the third time.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DASCHLE). Without objection, it is so ordered.

Mr. BURDICK. Mr. President, on behalf of Senator HELFIN I offer an amendment on page 12, line 19 to the bill.

The PRESIDING OFFICER. Is there objection to offering the amendment?

Mr. WALLOP. I object.

The PRESIDING OFFICER. The Senator from Wyoming objects.

Mr. BURDICK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, what is the situation on this bill?

The PRESIDING OFFICER. The Chair advises the bill has been read for the third time.

Mr. BYRD. Mr. President, I think there were other Senators who had amendments, am I correct?

Does the Senator from Montana have an amendment?

Mr. MELCHER. Mr. President, if the majority leader will yield, the answer to that is, yes, there are other amendments.

Mr. BYRD. Mr. President, I ask unanimous consent that the third reading be vitiated.

The PRESIDING OFFICER. Is there objection?

Mr. WALLOP. Mr. President, reserving the right to object, if the majority leader will yield for the moment, we sat here for the better part of a half-hour on Friday afternoon with nobody doing anything. The bill was read for the third time.

It strikes the Senator from Wyoming as though people have had their opportunity. It is abuse of the time of the rest of the Senate for people to sit in their offices or sit wherever they are.

The Senator from Wyoming would be quite happy to yield if he would get a time agreement on those, otherwise I would feel constrained to object.

Mr. BYRD. The Senator may object if he wishes. I will move, if he objects, but I hope the Senator will not object.

Mr. President, I welcome, in a way, the remarks of the distinguished Senator. If anyone around here has had their patience tried time and time and time and time and time again in this Senate, it is I. I have tried hard today to get Senators to come over and offer their amendments. I have had to move that the Sergeant at Arms be requested to call Senators in. So I welcome and thank the Senator for the position he is taking and the assistance he is trying to render.

But I hesitate to cut off Senators who are here and who want to call up their amendment. I believe that the amendment by Mr. BOND was pending. Was the amendment by Mr. BOND pending when the Chair sought third reading?

The PRESIDING OFFICER. The amendment by Mr. BOND has been tabled.

Mr. WALLOP. Will the majority leader yield further?

Mr. BYRD. Yes.

Mr. WALLOP. I shall not object, because I realize that the Senator could

simply move us to do it and then we would take 15 more minutes.

But I would just remind the majority leader that on a number of other occasions this year, when a vast number of amendments that were remaining were Republican, the Chair was instructed, as I recall, to put the question if there was not somebody here actively on the floor.

I made that suggestion to the occupant of the chair, and the Chair, quite correctly, did put the question. It just would seem to me that there is some level of consideration that might be offered to the rest of the Senate by those who have these amendments outstanding.

So I remove my objection.

Mr. BYRD. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. If the leader will yield, I want to thank the Senator also for removing the objection. I did not have an amendment but, just to show how sometimes these things happen, Senator KERRY had an important amendment to offer. He has an illness in the family. He had to leave. I was notified to come over here to offer the amendment on his behalf. It is something I am very interested in.

We were just working on the figures on the amendment when I heard the third reading. So there was not any kind of delay whatsoever.

Mr. WALLOP. Mr. President, once again reserving the right to object, let me point out to the majority leader that, consistent with the consent agreement he offered that the Senate proceed to third reading without any intervening debate, action, or motion, a motion, with the majority leader's own consent agreement, would not be in order.

Mr. BYRD. Well, a motion to go to third reading is debatable. I hope the Senator would not object. As a matter of fact, I thought I heard him say he would not object.

Mr. WALLOP. But if the majority leader will yield, in point of fact it would be debatable under ordinary circumstances. But the majority leader's own consent agreement precludes that.

Mr. BYRD. Yes, when the amendments have been disposed of; upon the disposition of the aforementioned amendments, the Chair is to go to third reading.

Mr. WALLOP. Well, they have been disposed of if they have not been offered by the time of third reading; is that not the case?

Mr. BYRD. Suppose the Senator one day has an amendment and, for some reason he cannot get to the floor. And I am not attempting to make excuses for Senators whose names are on the list and who have not been overly eager, apparently, to come to the

floor. But, at the same time, we have been able to get amendments up.

But, suppose the Senator from Wyoming one day has an amendment and for some good reason cannot come to the floor and the Chair puts the question on third reading and the majority leader comes over and attempts, out of fairness and comity to the Senator from Wyoming, to vitiate the third reading? I am sure the distinguished Senator from Wyoming would appreciate that action on the part of the majority leader.

Mr. WALLOP. The Senator from Wyoming would appreciate it, but he would certainly understand that the ship moves, or at least it ought to.

I again just point out that the standard seems remarkably double.

Mr. BYRD. There is no double standard.

Mr. WALLOP. The standard seems remarkably unfair. I would say the consideration of those who have these amendments and have not offered them is wholly and totally lacking to the rest of the Senate.

With that, I withdraw my objection with the complaint that it is a double standard and I think it has been unfairly applied.

Mr. BYRD. Well, it is not a double standard. As far as I am concerned, I try to play the thing right straight across the board, evenly balanced, treating everybody the same.

I do appreciate the Senator's withdrawal of his objection.

Mr. EXON. Mr. President, reserving the right to object, and I shall not object, the Senator from Nebraska was in the chair at the time that this question arose. I have served in the Senate under the excellent leadership of Senator BYRD for a long, long time. I took my initial instructions from him as a Presiding Officer when I first came here and I have always lived up to that.

Senator BYRD has always advised me that the Presiding Officer must lean over backward to be fair to all parties on the floor. I have always done that.

I thank my friend from West Virginia, the majority leader, for the patience that he has shown over the years to all of us who complicate his job very much.

I just want the record to show that third reading was in order at that time. There were a few Senators on the floor at the time when the Presiding Officer, then the Senator from Nebraska, asked if there were further amendments in anticipation of going to third reading. Frankly, as the Presiding Officer at the time, I was surprised that someone did not object or at that time put in a call for a quorum if, indeed, it was known that other amendments were forthcoming.

The Presiding Officer at that time had no way of knowing whether additional amendments were pending or

not. I would simply say that I, as the Presiding Officer at that time, followed the rules that were laid down to me by the majority leader. I think he has always been fair. I think all of us who assume the chair try to be fair and reasonable.

I hope that, in view of the fact that there are people who have additional amendments, that they would please get over here and get them offered so we might proceed.

I thank the majority leader.

Mr. BYRD. I thank the distinguished Senator.

Mr. MELCHER. Mr. President, first of all, I wish to thank the majority leader.

I also want to note for my friend from Wyoming that I have amendments. They are on the list. I was right out there, 20 feet from that corner, and expected, when there was a lull, to offer the amendments. I came in here to find out if there was such a lull, and indeed there is.

AMENDMENT NO. 2767

(Purpose: To provide an appropriation of \$50,000 within the amount provided for the Agriculture Research Service for a feasibility study of a plant growth center at the Montana State University)

Mr. MELCHER. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 2767.

Mr. MELCHER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 6, after the colon insert the following: "Provided further, Of the funds made available in this Act for the Agriculture Research Service, \$50,000 is provided for a feasibility study of a plant growth center at Montana State University."

Mr. MELCHER. Mr. President, this is an important amendment, but a very small amount of money. It relates to \$50,000 for a feasibility study of a plant growth facility at Montana State University.

This is a facility that is needed to determine, through research, various methods of controlling noxious weeds. It is a very meritorious program that has been envisioned. It has the full blessing of the Department of Agriculture.

This \$50,000 would make sure that it proceeded in the feasibility study during the next year. I ask the managers of the bill whether or not they could accept it.

Mr. COCHRAN. Mr. President, we reviewed the amendment and recom-

mend that it be accepted by the Senate.

Mr. BURDICK. Mr. President, we have no objection on this side to proceeding with a vote.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Montana [Mr. MELCHER].

The amendment (No. 2767) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BURDICK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2768

(Purpose: To earmark funds within the Soil Conservation Service for the University of Oklahoma to enable the university to continue certain satellite programs)

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN] for himself and Mr. NICKLES proposes an amendment numbered 2768.

Mr. BOREN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 48, in line 10, strike the period and insert in lieu thereof the following: "Provided further, That \$500,000 shall be available for the University of Oklahoma to refine and extend a program for integrating data from multiple satellite systems for the purpose of establishing a system of providing continuous, timely, and accurate assessments of the extent and impact of drought and other weather related conditions within the United States."

Mr. BOREN. Mr. President, my amendment simply earmarks funds, in the amount of \$500,000, available for conservation operations within the Soil Conservation Service for a remote sensing project at the University of Oklahoma.

Remote sensing technology can be utilized to a much greater extent to give us more complete information on soil condition. We already have the remote sensing satellites that are capable of taking high quality photographs that can reveal the amount of moisture remaining in the soil.

In light of the record drought that our Nation is experiencing this year, complete information on soil condition is now more important than ever. Conservation efforts would only gain from the data put forth from this system.

In addition to information on soil moisture, the system could provide time series photographs showing patterns of wind and water erosion. High resolution photographs could give ac-

curate and continuously updated information on the condition of our shelter belts.

This system could open the door to completely new methods of conservation and drought management.

The funds would be used for data integration, processing, and interpretation, as well as the development of models and calibration of the system.

The University of Oklahoma has nationally recognized credentials in meteorology, has been designated as a cooperative institution for applied remote sensing, and has sophisticated remote sensing computer processing groups. Norman, OK, the home of Oklahoma University, has been named as the site for the future Eosat Landsat receiving station.

The PRESIDING OFFICER. Is there further debate?

Mr. BOREN. Mr. President, this amendment has been cleared on both sides of the aisle and I would ask for its adoption.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, we have reviewed the amendment of the Senator from Oklahoma and recommend that it be approved.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. Mr. President, we approve the amendment on this side of the aisle.

The PRESIDING OFFICER. Is there further debate on this amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 2768) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2769

Mr. HEFLIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama [Mr. HEFLIN] proposes an amendment numbered 2769.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 19, insert before the period: "Provided further, That the Secretary of Agriculture shall make available \$300,000 to Auburn University to enable such university to develop water management research planning and programming in connection with section 322 of the Drought Assistance Act of 1988, for the purpose of alleviating the effect of the adverse weather conditions".

Mr. HEFLIN. Mr. President, this amendment has been cleared on both sides. In the drought assistance bill we have a program that is outlined pertaining to water management and to try to endeavor to develop plans with rural water authorities to assist in better water management. This would make an appropriation to carry out the research planning and program in connection with that section 322 of the Drought Assistance Act of 1988, for the purpose of alleviating the effect of adverse weather conditions.

It would make this available to Alabama University.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, we have looked at this amendment of the Senator from Alabama. It is a program that is authorized and we recommend the amendment be approved.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. We approve it on this side.

The PRESIDING OFFICER (Mr. WIRTH). Is there any further debate on this amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2769) was agreed to.

Mr. HEFLIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2770

(Purpose: To fund the International Livestock Program)

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the Senator from Kansas who is listed on the agreement as having an amendment to provide \$100,000 transferred to the International Livestock Program. I ask unanimous consent I may be permitted to send an amendment to the desk in behalf of the Senator from Kansas.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. DOLE and Mrs. KASSEBAUM, proposes an amendment numbered 2770.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Sec. . There is hereby transferred \$100,000 from the working capital fund within USDA to support the International Livestock Program at Kansas State University to be administered through the Cooperative State Research Service, such funds to come from those already available to the Cooperative State Research Service.

Mr. DOLE. Mr. President, this amendment would provide \$100,000 in funding for the International Livestock Program at Kansas State University in Manhattan, KS. This minimal level of funding will ensure that the International Livestock Program continues the momentum that the new program has gained since its inception 3 years ago.

Congress has funded this initiative at this level during the past 2 years. The program has been administered by the Cooperative State Research Service [CSRS].

The International Livestock Program parallels the well respected International Grains Program [IGP], also at Kansas State. Similar in concept to the IGP, KSU brings in trade teams to review livestock, related technologies, embryo transplants, nutrition, veterinary medicine, and review ongoing research efforts.

During the past 2 years the program has fulfilled an important niche in supplying specialty markets of livestock and livestock products to foreign markets. This is an important ingredient in building long-term market share and improving relationships with foreign buyers. In addition the program has helped foreign nations interested in U.S. livestock markets develop their management skills.

Mr. President, we often note that as nations develop their economies they also develop their diets. This usually means they buy more meat and livestock products as they upgrade their standard of living. Certainly the International Livestock Program will help us lay a basic framework for meeting this increasing demand. I urge my colleagues to support this important initiative.

Mr. COCHRAN. Mr. President, this amendment, as I stated, provides \$100,000 in funding for the International Livestock Program. We ask that the Senate favorably consider the amendment.

The PRESIDING OFFICER. Is there further debate on this amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2770) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BURDICK. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2771

(Purpose: To make funds available for the control of noxious weeds on Federal lands)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] for himself and Mr. McCURE, proposes an amendment numbered 2771.

On page 12, line 19, strike out the period and insert in lieu thereof a colon and the following: "Provided further, That \$3½ million shall be made available for payment to the Secretary of Agriculture to establish and implement a program for the research, management, and control of noxious weeds on Federal lands."

Mr. MELCHER. Mr. President, the money that is appropriated for Agricultural Research Service, which I believe is around \$560 million, this amendment would earmark \$3.5 million to be available to control noxious weeds on Federal lands.

I have in mind specifically leafy spurge and spotted knapweed, which has spread on national forest lands to the extent of untold millions of acres involved. And when that happens there is less productivity for livestock or wildlife because of the damage done by these noxious weeds.

In addition, the weeds do not just stay on national forest lands. They are spread on private lands and on State lands.

To the extent that private and State funds are available, these noxious weeds are sought to be brought under control. Those private and State moneys available to control these specific noxious weeds are limited but there are none available as it exists now for the National Forest System to have an active program of attempting to control these weeds.

This amount is a very small amount. As I understand the spending out of agricultural research funds, there is probably only 80 percent spent in any 12-month period. So, of course, what would be spent out of this \$3.5 million would be a very small amount. All that it does is make a start on having effective weed control.

I know that there is some money in there for weed control but the fact is that it is so precious little that dwindles down to the Forest Service, and particularly in the West, that very little is done.

So, I am merely asking the managers of the bill to accept a very prudent, small earmarking for control of noxious weeds on national lands.

Mr. BURDICK. Will the Senator yield?

Mr. MELCHER. I would be delighted to yield.

Mr. BURDICK. Is the Senator aware that there is \$1 million in the bill for that purpose now?

Mr. MELCHER. That there is \$1 million?

Mr. BURDICK. Yes.

Mr. MELCHER. Yes, I am aware of that. It is a very small amount and there is another very small amount. Not nearly enough.

Let me point out that what is spent by State and private entities in trying to control these noxious weeds

amounts to 100 times this amount. But where they are surrounded or bordered by national forest lands it is very difficult to have any type of control without some input from the Federal level.

I ask that this amendment be accepted and be available for what I feel is a very necessary step.

By the way, Mr. President, I ask unanimous consent that Senator McCURE be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Is there any further debate on this amendment? The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I do not know that Senators are aware of it, but the Senator from North Dakota, the manager of the bill, pointed out that \$1 million is already in the bill for leafy spurge.

There is other money in the bill as well to do research dealing with noxious weeds. I am advised that in other programs some \$14 million will be spent next year in trying to deal with these problems. So this request that \$3.5 million be made available to implement a program is really not necessary. The program has been implemented and is being funded. There are research centers being constructed for weed research. There is a genuine effort being made by the department with funding to deal with these serious problems.

If I understood the manager of the bill, he does not support the amendment. I want to be sure I have my signals correct, though, as to whether he supports the amendment or opposes the amendment.

Mr. MELCHER. Will the Senator yield?

Mr. COCHRAN. I will be happy to yield.

Mr. MELCHER. I wonder if the managers of the bill will be willing to include in final report language in the statement of managers the Senator mentioned the \$1 million for leafy spurge and noxious weed, that at least \$3 million be available out of the 360 for control, specific control of leafy spurge and spotted knapweed.

Mr. COCHRAN. As I understand the inquiry of the Senator from Montana, he urges that we include in the statement of managers a direction to the Department of Agriculture that this amount be spent for leafy spurge or noxious weed.

Mr. MELCHER. Leafy spurge and spotted knapweed. With about 30 million acres of national forest lands now inundated with these two weeds, it is fast getting out of hand. This is merely a start to attempt to get some control.

Mr. COCHRAN. For my part, Mr. President, I would be happy to urge in conference that that kind of state-

ment be included in the statement of managers. There are two other managers on the House side who would be involved. I cannot speak for them, but I would recommend to Senator BURDICK that we go along with the Senator's request if he would withdraw his amendment in exchange for that commitment.

Mr. MELCHER. I thank the distinguished Senator from Mississippi. I merely ask the same question of my friend and chairman of the subcommittee, the Senator from North Dakota.

Mr. BURDICK. Does the suggestion meet with your approval?

Mr. MELCHER. Yes, it does.

Mr. BURDICK. It meets with mine.

Mr. MELCHER. I thank the managers of the bill for their graciousness. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment was withdrawn.

AMENDMENT NO. 2772

(Purpose: To make funds available for the Israel-United States Binational Agricultural Research and Development Fund)

Mr. MELCHER. Mr. President, on behalf of myself, Mr. McCONNELL, and Mr. LEAHY, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER], for himself, Mr. McCONNELL, and Mr. LEAHY proposes an amendment numbered 2772.

Mr. MELCHER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 19, strike out the period and insert in lieu thereof a colon and the following: "Provided further, That \$5,000,000 shall be made available for payment to the Israel-United States Binational Agricultural Research and Development Fund as authorized by section 1458 of the Food and Agriculture Act of 1977, to remain available until expended."

Mr. MELCHER. Mr. President, this amendment would provide \$5 million for the Binational Agricultural Research and Development Fund, established a decade ago by an agreement between the United States and the Government of Israel. It is more simply known as the BARD Fund.

I believe this funding for BARD is essential to the continued success of this highly cost-effective program. In 1978, BARD was established to enable scientists from these two nations to join forces in expanding agricultural know-how and productivity. Since that time, many outstanding low-cost agricultural research programs have been carried out between the two countries.

I must explain that research projects under BARD generally extend 2 to 3 years in length. Each research grant is for approximately \$50,000 per year. Half of this research is actually conducted in the United States. The other half is done in Israel.

BARD is a unique program in that the funds that have been provided by each country make up the fund, and the agricultural costs under the program are financed by the interest from the principle.

Under BARD we have had some very cost-effective research programs during the past decade. Because of those research funds, research has resulted in a return on investment of something like 500 percent. It has been an extremely successful program, and I would merely earmark in the Agricultural Research Service \$5 million to bolster this fund. It would be matched by \$5 million from the Israeli Government. I hope the amendment can be accepted.

Since 1978, BARD-sponsored research has produced important findings in a wide range of areas, from agricultural engineering to animal production, from soil science to field crops, and from irrigation to pest control. At a time when many of our Nation's farms have been stricken by drought, BARD research in the area of water and soil conservation methods also should be emphasized.

Although farmers worldwide are able to share in the benefits resulting from BARD, a team of independent economists recently calculated the value of a small number of BARD-sponsored projects to just the United States and Israel. Looking at the top 5 out of a total of 435 BARD projects—relating to cotton management, salinity in pecans, solarization of vegetables, storage of ornamentals, and pecan aphid control—they determined that these projects have yielded \$517 million and \$100 million in benefits to our Nation and to Israel, respectively.

Mr. President, as I said before, because the BARD fund is an endowment, established with equal contributions from the two member nations, only the interest on the principle is available to support agricultural research projects. Unfortunately, a combination of factors, including, devaluation of the dollar, declining interest rates, and rising research costs, have undermined BARD's funding power. As a first installment toward restoring the BARD fund, my amendment would provide \$5 million for the program. In each of the next 2 years, I plan to again seek appropriations of this amount for BARD, to provide a total of \$15 million in additional funds for the program. With equal contributions from Israel, which that nation's Ambassador has indicated Israel would provide, the BARD fund would in-

crease from its current level of \$110 million to \$140 million.

Mr. President, I ask unanimous consent that the following be printed in the RECORD: A letter from Ambassador Moshe Arad, expressing his government's desire and intention to match U.S. funding for BARD, the Executive Summary of the recent report evaluating BARD projects, and a letter from James Welsh of Montana State University.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE ECONOMIC IMPACTS OF BARD RESEARCH ON THE UNITED STATES

(By Richard E. Just and Mark Phillips, University of Maryland and David Zilberman and Douglas Parker, University of California)

EXECUTIVE SUMMARY

This report evaluates research funding by the United States-Israeli Bi-national Agricultural Research and Development (BARD) fund. BARD as a research funding agency uniquely emphasizes scientific exchange and cross fertilization of ideas as a means of scientific advancement. This approach has been successful. Of 208 projects that were completed and could be analyzed, 20 projects were identified with some degree of actual commercial application in the United States, some of which have generated substantial benefits already. Another twenty-three projects have some promising potential for creating benefits to United States agriculture. The five most successful projects with commercialization to date are on cotton management, salinity in pecans, solarization in vegetables, storage of ornamentals, and pecan aphid control. Those five projects have an estimated net present value of benefits (adjusted for BARD's share in supporting the associated research) of \$521 million discounted to 1979 when the U.S. funds were provided to BARD. In addition, BARD finances a large amount of post-doctoral education, graduate student support, international travel (which is a measure of cross fertilization and scientific exchange between the countries), and permanent equipment. Altogether, more than one-third of BARD financing goes to items that provide important benefits beyond the direct economic benefits of BARD funded research. Finally, BARD projects tend to produce research of substantial scientific interest as measured by publications in scientific journals.

Compared to other agricultural research funding sources in the U.S., BARD has stressed research concerning fruits, nuts, vegetables, fish, dairy, and poultry with relatively less emphasis on forage, beef, swine, and field crops other than cotton. This emphasis is explained by the tendency of a binational organization to fund research on products grown in both countries. As a result, BARD projects tend to benefit high-value rather than high-volume agricultural production activities in the United States. Because high-value products tend to have more elastic demand than high-volume products, the benefits of new technology tend to accrue more to farmers rather than to consumers. Examples are fruits, vegetables, and ornamentals.

BARD innovations tend to be biological, managerial, and agronomic rather than mechanical and chemical; thus, they tend to be

divisible and applicable to small scale agriculture. In terms of specific research areas, BARD has emphasized pest and disease control, salinity, biological efficiency, production management, and quality maintenance and storage. This emphasis follows from the severe resource constraints and hot climate in Israel, its intensive agriculture which makes problems of pest and disease control more severe, and the higher elasticity of demand faced by Israel as a small country.

BARD has funded some project areas which have been funded relatively little by other sources. Some of these areas—aquaculture and other emerging industries, biotechnology, and nonchemical control of diseases and pests—are widely perceived to be major areas of the future. BARD funding seems to adapt promising new areas of research more effectively than other funding sources because the research funds are more liquid and not allocated through a large agency with long-standing lines of bureaucratic interest.

BARD has placed relatively less and declining emphasis on improved products, marketing, statistics, nutrition and health, rural welfare, rural development, and agricultural economics in general. Overall, the allocation of research funds by BARD tends to emphasize the production sciences and neglect the social sciences. The reason for inequity of research funding among fields is not an inequity of acceptance rates but rather an uneven representation of fields in the research proposals received. BARD needs to do a better job of selling itself to the research community. Calls for proposals in professional newsletters can improve awareness and symposia involving top researchers from both countries could develop the contacts between scientists needed to facilitate formulation of proposals.

On the basis of a comparison of productivity to funding, some revision of areas of emphasis appears to be warranted. For example, innovations applicable beyond the farm gate have proven to be valuable while receiving little funding. Potential returns to innovations developed on plant protection and aquaculture are also high relative to funding. On the other hand, large amounts of funds have been allocated to projects in animal production and protection (mostly dairy and poultry) and agricultural engineering with relatively small economic returns of potential. An analysis of the results suggest several criteria—demand elasticity, divisibility, breadth of regional applicability, cost reduction versus production enhancement, and flexibility of production facilities that cannot adopt—that can guide future funding to improve the economic return and equity.

BARD funding tends to be skewed more toward those states with a combination of product similarities and high-quality research institutions—California, Florida, and Texas. However, these states have tended to produce relatively more valuable results compared to the share of funds received. Over the lifetime of BARD, the USDA has received 25 percent of U.S. BARD funding. The only fields besides agricultural engineering in which the USDA is not the dominant recipient of BARD funds are the two seemingly underemphasized fields of agricultural economics and post harvest and food research and one of the two fields (aquaculture) that appears to be of greater future potential. One explanation for the heavy USDA funding is the close association of BARD and the USDA and the increased awareness it provides. On the other hand,

the USDA funding is primarily to the Agricultural Research Service which tends to increase the production orientation and the de-emphasis of social science.

MONTANA STATE UNIVERSITY,
Bozeman, MT, July 8, 1988.

Senator JOHN MELCHER,
SH-730 Hart Senate Office Building,
Washington, DC.

DEAR JOHN: I believe you have been contacted recently by Yair Guron, BARD, relative to support for that program. I currently serve on the Technical Advisory Committee for BARD and fully support its activities. Montana State University has three cooperative research programs with Israeli scientific counterparts and we find the program to be quite beneficial. We do have the opportunity through BARD activities to address issues of mutual interest in the agricultural area. I would certainly feel that support of this activity was appropriate. If you have any questions, please give me a call.

Sincerely,

JAMES R. WELSH,
Dean and Director.

EMBASSY OF ISRAEL,
Washington, DC, July 12, 1988.

Hon. JOHN MELCHER,
U.S. Senate,
Washington, DC.

DEAR SENATOR MELCHER: It gives me great pleasure to learn that you have expressed appreciation for the work of the Binational Agricultural Research and Development Fund (BARD), and share our interest in increasing its endowment.

The establishment of BARD, ten years ago, was directly related to the drought in California and stimulated by it. Its achievements since 1978 have been remarkable. An independent evaluation of BARD, conducted by an internationally recognized group of economists and made available this week, suggests that the contribution of the top five projects supported by BARD (in terms of "net present value" discounted to 1979) exceeds \$521 million. The net value of the other 430 BARD projects is also considerable. Thus, the contribution of BARD to the U.S. economy (and, of course, the Israel economy) shows a vast return on the \$110 million endowment existing at present, and on the \$78 million of accrued interest actually used to finance the research.

The success of BARD has attracted an ever growing number of proposals submitted for its consideration. On the other hand, the decline in the value of the dollar has reduced the real income from its endowment. As a result, the grants these days tend to be too small and also many excellent proposals are rejected because of a lack of funds. Those rejected proposals represent missed opportunities for the development of agriculture in the U.S. and Israel.

The cooperation between the U.S. and Israel in BARD is unique. The \$110 million endowment is based on a contribution of \$55 million by each country. The research is financed from the interest on the endowment. One half of the budget is allocated to U.S. laboratories, and the other half to collaborating Israeli laboratories. The Administration is lean and responsive. This is the reason why the BARD concept is now being emulated by others.

On the 10th anniversary of BARD it is our strong desire to enlarge its endowment, if possible by \$30 to \$40 million. Should Congress see its way to appropriate funds

for this purpose, the Israeli Ministry of Finance will match such funds up to the sum of \$15 million, and would also contemplate contributing \$20 million, on a matching fund base, should Congress see its way to take a parallel step.

We are sure that an increase of this kind will continue to enhance the contribution of BARD to agricultural development, to the mutual benefit of both our countries.

It gives me great pleasure to enclose herewith a brochure issued for the 10th anniversary of BARD.

Sincerely,

MOSHE ARAD,
Ambassador.

Mr. MELCHER. Mr. President, as my good friend and chairman of the pending measure, Mr. BURDICK, knows, past appropriations to the BARD fund have been provided through Foreign Assistance Appropriation Acts. The Congress took this funding route first in 1978, when BARD was established, and then again in 1984. However, in light of the agricultural nature of this program, I think it makes far more sense to pursue funding through the agricultural appropriations measure. Recently, during debate on the foreign operations bill, I voiced my views on this matter to the chairman of the Foreign Operations Subcommittee, the Senator from Hawaii [Mr. INOUE].

To keep my amendment budget neutral I am proposing that a \$5 million offset be taken from the Agricultural Research Services' proposed fiscal year 1989 budget of \$561 million. ARS has been provided an increase of over \$20 million for fiscal year 1989, and thus the offset in this amendment represents less than 1 percent of the ARS proposed appropriation. I want to also emphasize that half of the appropriation I am requesting for BARD would go toward funding agricultural research efforts in the United States carried out under this program.

Mr. President, over the last decade BARD has proven to be a cost-effective program, a model of binational cooperation, and a source of numerous and valuable agricultural research breakthroughs. This amendment would help ensure that BARD's next 10 years are as successful as its first.

The PRESIDING OFFICER. Is there further discussion of the amendment?

Mr. COCHRAN. Mr. President, one concern that the managers have is that this amendment is offered to this bill. This is a foreign operations jurisdictional matter, in our judgment, and ought to be taken up when we take up the appropriations for foreign operations.

Having said that, the amendment is drawn and drafted in such a way that funds would be diverted, as I understand it, from the Agriculture Research Service to fund a joint United States-Israel Bilateral Agriculture Research and Development Program. If I

understand this correctly, this means that funds that have previously been appropriated for ARS in this bill will be cut by \$5 million. This would include threatening some jobs at other research facilities around the country.

I have a letter from the Office of the Secretary at the Department of Agriculture signed by Orville Bentley. I want to read a portion of the letter:

To cite but a few examples of the magnitude of the reductions in those programs which would be imperiled by the adoption of the amendment, we would point out, for instance, that we currently employ 319 people at the National Animal Disease Center in Ames, Iowa. These jobs, along with an annual operating budget of \$17.9 million could be eliminated. The Beltsville (Maryland) Agricultural Research Center would also be imperiled by drastic budget cuts, as would the Meat Animal Research Center in Clay Center, Nebraska. Smaller locations would also suffer, such as those in Montana where we employ 30 people with an annual operating budget of \$3.5 million. ARS is currently expending approximately \$20.4 million for non-food research at our laboratory in Peoria, Illinois. Acceptance of the amendment to transfer \$15 million from ARS to CSRS could, as an example, eliminate most of the 319 jobs at Peoria and virtually end our research program at that important laboratory.

Mr. President, I ask unanimous consent that the entire text of this letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, July 28, 1988.

HON. THAD COCHRAN,
Ranking Minority Member, Subcommittee
on Agriculture, Rural Development and
Related Agencies, Committee on Appropria-
tions, U.S. Senate, Washington, DC.

DEAR SENATOR COCHRAN: The U.S. Department of Agriculture (USDA) has just been made aware of a series of amendments proposed to be offered to the Fiscal Year 1989 Appropriations Bill for USDA now pending before the Senate. We are advised that one amendment seeks to shift \$20 million from the Agricultural Research Service (ARS) to a joint United States-Israel Bilateral Agricultural Research and Development Program (BARD). A second proposed amendment would shift \$15 million from ARS to the Cooperative State Research Service (CSRS) for research on non-food crops.

USDA has long supported the BARD program as a way to assist Israel to become more self-sufficient in agriculture. Currently under this program, research projects are funded by interest earned on a capital account held in an Israeli financial institution. Additionally, the BARD agreement requires the government of Israel to match any U.S. contribution to the capital account. That capital account currently contains \$110 million, with \$55 million coming from the U.S. It is simply not prudent to eliminate \$20 million of ongoing research programs of direct value to U.S. farmers and initiate at most, less than \$3 million (supported by additional interest from the capital account) of new programs primarily benefiting one sector of the agricultural community. However, should the Senate accept the amendment, we would be compelled to make dras-

tic reductions in certain ongoing ARS research programs.

Specifically, we would be forced to close facilities, eliminate research programs of vital national importance to the United States, and to fire hundreds of scientists and support personnel.

To cite but a few examples of the magnitude of the reductions in those programs which would be imperiled by the adoption of the amendment, we would point out, for instance, that we currently employ 319 people at the National Animal Disease Center in Ames, Iowa. These jobs, along with an annual operating budget of \$17.9 million could be eliminated. The Beltsville (Maryland) Agricultural Research Center would also be imperiled by drastic budget cuts, as would the Meat Animal Research Center in Clay Center, Nebraska. Smaller locations would also suffer, such as those in Montana where we employ 30 people with an annual operating budget of \$3.5 million.

ARS is currently expending approximately \$20.4 million for non-food research at our laboratory in Peoria, Illinois. Acceptance of the amendment to transfer \$15 million from ARS to CSRS could, as an example, eliminate most of the 319 jobs at Peoria and virtually end our research program at that important laboratory.

We must stress to you that we are very serious in saying to you that deep cuts in the budget of the Agricultural Research Service will cripple our ability to perform the research so vitally needed by American farmers and ranchers to remain competitive in world markets. American consumers would also suffer in that research programs designed to maintain the quality and safety of American food could be crippled by such reductions.

We urge you to reject these amendments.
Sincerely,

ORVILLE G. BENTLEY,
Assistant Secretary,
Science and Education.

Mr. COCHRAN. Mr. President, I do not know what the intention of the manager of the bill is, the chairman of the subcommittee. It may be that we could encourage the more generous funding of this research and development program. I support the program. I think it is a good program. But whether or not we ought to divert money from other good programs to this good program is a question that looms large in the mind of this Senator right now.

I express these concerns because I think the Senator ought to be aware of the situation as seen by the Department of Agriculture.

Mr. MELCHER addressed the Chair. The PRESIDING OFFICER. The Senator from Montana.

Mr. BURDICK. Will the Senator yield?

Mr. MELCHER. Yes.

Mr. BURDICK. Does the Senator realize that he proposes to reduce U.S. research by \$5 million, while only increasing BARD research by \$300,000 and only the interest on the \$5 million will be used?

Mr. MELCHER. Yes. I am very much familiar with the nature of the BARD research fund, which is one composed of matching funds. Contri-

butions to the fund are both governments. Only the interest is utilized for the agricultural research. The principal is merely put in the fund, invested in Government securities and then the interest itself is used to award research grants. This program is unique among our research efforts, and it is one that has paid off extremely well over the past 10 years.

Mr. BURDICK. That is the precise point I am making. They will only use the interest, whereas we will be deprived of the \$5 million.

Mr. MELCHER. The Israelis will also be deprived of the \$5 million they add to the fund.

Mr. BURDICK. We will be deprived.

Mr. MELCHER. Both sides will be because it is only the interest that is used, but you still have your money. It is like putting the money in the bank, and I think I have adequately described it. It is an endowment.

Mr. BURDICK. But U.S. research will be reduced by \$5 million right now.

Mr. MELCHER. For the current year, for the coming year.

Mr. BURDICK. For every year.

Mr. MELCHER. Well, not every year because you would only renew this fund occasionally.

Mr. BURDICK. Is this a 1-year bill?

Mr. MELCHER. The BARD Program, itself, goes on indefinitely. This \$5 million is only for fiscal year 1989 to be matched by \$5 million from Israel.

Might I ask the distinguished Senator from Mississippi for a copy of the letter? I have never seen it.

Mr. President, this is the first I have seen of this letter referred to dated July 28 and signed by Orville Bentley, Assistant Secretary of Science and Education.

While I read it, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I have just read the letter from the Assistant Secretary of Science and Education. I can understand how it upsets the managers of the bill to have an amendment offered in light of this letter.

Therefore, I am going to modify my amendment to change it to just 50 percent of the \$5 million—making it \$2.5 million—to see whether that amount would be agreeable. I do this because I am sure the BARD Program needs to continue as successfully as possible. It is true that the money is invested in a fund and only the interest from that

fund is used annually for agricultural research, but it is necessary to build up the fund a little because of the effect of the deregulation of the dollar on the fund. That makes less research available for each year.

I ask if the managers will accept my modified amendment.

The PRESIDING OFFICER. The Senator from Montana will have to ask unanimous consent to change the amendment in that fashion.

Mr. MELCHER. I ask unanimous consent to modify my amendment from \$5 million to \$2½ million.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2772), as modified, is as follows:

On page 12, line 19, strike out the period and insert in lieu thereof a colon and the following: "Provided further, That \$2,500,000 shall be made available for payment to the Israel-United States Binational Agricultural Research and Development Fund as authorized by section 1458 of the Food and Agriculture Act of 1977, to remain available until expended.

Mr. COCHRAN. Mr. President, I wish to express my thanks to the Senator from Montana for modifying his amendment. With that modification, we are prepared to recommend the amendment be agreed to.

Mr. BURDICK. We will support the modification of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? The question is on agreeing to the amendment of the Senator from Montana [Mr. MELCHER].

The amendment (No. 2772), as modified, was agreed to.

The PRESIDING OFFICER. The Chair is prepared to go to third reading of the bill.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, my understanding is Senator GRAMM might have an amendment. He is listed here. He is on the floor. Rather than go to third reading, which would cut off that amendment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2773

(Purpose: To prohibit the earmarking of funds made available for the Cooperative State Research Service)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 2773.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, line 12, by striking out the period and inserting in lieu thereof a colon and the following: "Provided, That the earmarking concerning competitive research grants contained under the heading Cooperative State Research Service of the Senate report accompanying H.R. 4784 (Senate Report 100-389), shall not be binding on the Cooperative State Research Service."

Mr. GRAMM. Mr. President, this amendment is a very simple amendment. Under this appropriation bill, cooperative State research service funds are broken into two categories: One category is a special research grant category whereby designation is made by institution. The second category is supposed to be competitive research grants where you have peer review, and where a determination is made by scientific panels as to what research makes sense; therefore, our research moneys are allocated based on that peer review.

Mr. President, unfortunately, funding for this category has already been reduced. Funding, which is \$40,842,000, is \$13.6 million less than the budget estimated and \$1.5 million less than what was available last year. Yet, with this reduction in funds, this bill designates almost \$10 million of that \$40 million to go to a handful of universities.

Mr. President, all this amendment says is that the earmarkings in this bill shall not be binding. They represent the suggestions of the committee. If the Committee on Appropriations has special expertise in animal science, biotechnology, and other areas, then we would assume that the peer review would bear out these priorities. If not, they are not bound by these priorities.

I think we will all find ourselves in a position where, if we are going to let politics dictate the allocation of funds in areas that are supposed to be determined on a competitive basis with scientific peer review, all of our State universities will be pounding on our heads saying allocate some money to the University of Texas or Texas A&M. The whole idea of this program was to have peer review to let merit allocate funds.

All I am saying here is that the earmarks in the bill on competitive grants are not binding. If the peer review committees conclude that the funds could benefit the taxpayer by going somewhere else, they would not be bound by these earmarkings.

I hope my colleagues will accept the amendment.

Mr. COCHRAN. Mr. President, I am sympathetic with the amendment of-

ferred by the Senator from Texas. I think he has a good amendment.

As I understand it—to be sure I understand it—the earmarking that he is talking about is competitive research grant money, funds that are appropriated to the cooperative State research service for competitive research grants. That is a special account where universities and other research institutions compete for available grant funds for research projects.

I think he has a good amendment and it should be approved. I point out, however, that there is another program of special research grants that are earmarked in this bill and traditionally have been earmarked by Congress, and it is research done under the auspices of the cooperative State research service. That would not be changed and that would not be disturbed under this amendment, with the language I read that is before me.

I think it is a good amendment, and I recommend that it be approved.

Mr. BUMPERS. Mr. President, if the Senator from Texas is willing to take the suggestion of the Senator from Mississippi, that will be fine with me. But unless we can move it into the special research grants category, I would have to strenuously oppose the amendment of the Senator from Texas.

It is true that these are earmarked grants, and nobody around here ever likes them unless they happen to be going to their particular States.

In the case of the food safety consortium grant, Kansas State University, Iowa State University, and the University of Arkansas have worked as a team for some time to develop a good research consortium to study food-borne contaminants—not just salmonella, but all food-borne contaminants so as to improve detection methods and methods of prevention. They put a lot of time and talent into the fact that someday they will get a grant like this that will help them perform a real service for the country.

The other research grant I am concerned about—there are others, and I am just speaking for myself—deals with alternative pest control. EPA has already started telling farmers, "If you farm in a watershed area where endangered species may be located, you will not be allowed to use herbicides and pesticides." Every farmer in the country wonders, if that rule is finally implemented, how they are going to live on yields of from one-third to one-half of what they have become accustomed to.

I understand this, and I am on the side of EPA about trying to stop those chemicals that poison people; and I am on the side of farmers who like to use herbicides and pesticides. But the truth of the matter is that we need a crash program to provide research for

effective alternatives. We have a team of world class scientists in the area of alternative pest control at the University of Arkansas.

The reason I am interested in this is that I am an Arkansan, and I went to the University of Arkansas and talked with these scientists. I looked through their laboratories. I let them demonstrate for me what they have done.

If you want to try to help the farm communities of this country in developing alternatives to herbicides and pesticides, you will be hot for this research proposal. It does not involve very much money, but it involves vital research. If you want to move that out of the competitive grants category and put it into the special grants category, which the Senator from Mississippi has suggested and make up the lost competitive grants funds from unobligated ARS funds, I have no quarrel with that. You are talking about shifting a total of \$7.5 million from ARS, and the Agricultural Research Service has about \$510 million to play with. So you are not talking about very much money from ARS. You are talking about grants that would perform a real service to the farmers of this country and the American people.

Mr. President, I hope we can work something out on this, because these schools are geared up in anticipation of these grants.

Mr. GRAMM. Mr. President, I do not doubt that the research projects we are talking about are important. But I remind my colleagues that this is supposed to be competitive research money, so that every university in the country would have an opportunity to compete. We are supposed to allow people who are the technical experts in each of these areas assess the research proposals from every State university, every private university, every research corporation in America, and assess them on their individual merits.

If funds in another category were to be earmarked, such as in the special research grant area, where funds are designated by Congress, that is one thing. But what we are doing here is that we are going into an area where we are supposed to have technical peer review, and we are making political decisions, and I think that is wrong. I think it undercuts our whole research program.

I have a letter here sent to Senator THURMOND by the president of Clemson University that outlines exactly why this is a problem and why this is unfair.

What we have here is the earmarking of about one-fourth of all the funds available, so that Clemson University, the University of Kentucky, the University of Wyoming, the University of North Dakota, and Texas A&M do not have an opportunity to compete for those funds.

It may be that the few universities—less than a half dozen—selected by this committee are the best to do this research, but maybe they are not. This is supposed to be competitive research, with peer group review, and I think we should let the research be assessed not by lawyers, not by economists, but by people who are scientists in the agricultural area. That is how it is supposed to be.

Mr. President, I ask unanimous consent that the letter from Max Lennon, president of Clemson University, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CLEMSON UNIVERSITY CENTENNIAL,
1889-1989

Clemson, SC, July 19, 1988.

HON. STROM THURMOND,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR THURMOND: As mentioned in my letter of June 14, 1988, I am extremely concerned about dilution of the effectiveness of the competitive research grant program in the U.S. Department of Agriculture budget. Currently, the Senate version of the budget bill includes approximately \$41 million for this important program. For the first time in the history of the competitive research grants program, approximately \$12 million is currently earmarked for specific state programs, programs in institutions, or consortiums of institutions. The House version of the competitive research grants program recommends less than \$30 million with no earmarked funds in the competitive grants area.

As the co-chairman of the USDA Research Policy Advisory Committee, I have actively solicited support from members of this committee, which represents states from across the nation, to work with their congressional delegation members to support the Senate funding recommendation—\$41 million—with no earmarked funds. While a higher funding level can be readily justified, the \$41 million level will provide opportunities for critical research to be accomplished. Our major concern is that if \$12 million is earmarked this year, what might happen in the future. I note, with interest, that the Armed Services Conference report on the University Research Initiative finding took a strong position in favor of competitive research grants and deleted earmarking of research funds.

I respectfully solicit your support of a conference report for the USDA Competitive Research Grants Program at a funding level of \$41 million with no earmarked funds.

Sincerely,

MAX LENNON,
President.

Mr. GRAMM. Mr. President, I ask unanimous consent that the names of Senator KASTEN and Senator WALLOP be added as cosponsors of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I am prepared to yield the floor.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ARMSTRONG. Mr. President, I want to register my concerns with the earmarking of competitive biotechnology research grants at the Cooperative State Research Service in the committee report for the Agriculture appropriations bill.

The competitive grants have always been just that—competitive grants that schools vie for and are awarded by the review of their peers depending on the merits of the research proposal. This year's agriculture appropriations committee report, however, portends to decide who the recipients will be by earmarking 40 percent of the funds to specific institutions for specific projects.

In Colorado, Colorado State University feels it is important for its scientists to have an opportunity to compete for funds in this research area important for Colorado.

Mr. President, I urge House and Senate conferees to reach an agreement to keep the grants competitive.

Mr. KASTEN. Mr. President, I rise in support of the Gramm amendment to the Agriculture appropriation bill. This amendment seeks to remove the earmarks in the Cooperative State Research Service competitive Research Grant Program, making them instead suggestions to CSRS as to congressional priorities.

It is past time this subject was raised, and I commend the Senator from Texas for doing so. I am fortunate to represent a State blessed with one of the premier universities in the country—the University of Wisconsin. Any program of research, especially agricultural research, that awards grants based on a competitive process of peer review is to the advantage of schools like UW. I say with complete confidence that competitive research programs are also to the advantage of the country as a whole; simply put, they lead to better research and better use of the tax dollars spent for that purpose.

I have received many letters from responsible scientists across the country protesting the earmarks that have found their way into the CSRS Competitive Research Grants Program. I will ask that several of these be includ-

ed in the RECORD at the conclusion of my statement.

Mr. President, I believe we should be doing much more in the way of competitive research grants, not less. The Gramm amendment points us in the right direction. I urge my colleagues to support this amendment.

I ask that the letters to which I referred be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 20, 1988.

Senator ROBERT W. KASTEN, Jr.,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: This year the USDA competitive grants program has had several projects earmarked for funding by members of Congress. The result has been that one fourth of the funds intended to fund research based on competitively selected proposals may be spent on proposals judged on their usefulness to a narrow political constituency rather than the broad constituency of the country as a whole.

Most of the money used to fund the Agricultural Experiments Stations in each state is used for state related agricultural problems. The competitive grants program is one of the few programs to fund research useful to the country as a whole though not giving any special advantage to one region over another.

The competitive grants program at USDA has had a history of difficulties since its inception in 1977. Although the amount of money spent on competitive grants in USDA is low, it has somehow been seen as an expendable program. At present many of the awards are insufficient to support even one graduate student. Reductions in funding of the program will mean drastically reduced numbers of grants or grants so small that their usefulness is dramatically curtailed.

If the current earmarking scheme is successful, there will undoubtedly be tremendous pressure next year for the many worthy agriculturally related causes that are currently unfunded. I believe this will spell the end of a productive, if modest in size, competitive research program within USDA. This is equivalent to eating the seed corn. It gives some relief to the hunger in the short term, but reduces our capability to feed ourselves in the long term.

I strongly urge that the appropriation for the USDA competitive grants program be free of noncompetitive, earmarked programs so that the original intent of the competitive grants program can be fulfilled.

Sincerely yours,

THOMAS D. SHARKEY,
Associate Professor of Botany,
University of Wisconsin-Madison.

MICHIGAN STATE UNIVERSITY,
East Lansing, MI, July 21, 1988.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senator, Capitol Building, Washington, DC.

DEAR SENATOR KASTEN: If the United States is to maintain its competitive position in the world with respect to agricultural production, it is imperative that we conduct basic research as it relates to agriculture. In 1977, the Congress authorized a small program, known as the competitive research grants program, within the Department of Agriculture to support such research. An important aspect of this successful program was that the research is peer

reviewed, or at least has been peer reviewed up until now. Experience over a long period of time here in the United States shows that peer review is the best method to identify the most meritorious research projects.

Congressional "earmarks" which are known to the public as "pork barrel" are a disastrous way to identify worthwhile research projects. No serious scientist who has the interests of science at heart as opposed to the interests of his or her research project, institution, or state supports the earmarking approach.

The situation right now for the proposed funding of the Competitive Grants Program is that 25% of the funds have been "earmarked" for specific projects. This approach spells the doom of this important Federal program that supports basic research as it relates to agriculture (e.g. research on photosynthesis, nitrogen fixation, the effect of stress on plants, nutrition). As a basic plant scientist of Michigan State University, I oppose this change in the Competitive Grants program. I urge you to restore the funds for this program and to eliminate the earmarking aspect of the appropriations for the Competitive Research Grants office of the USDA.

Sincerely,

JONATHAN WALTON, Ph.D.,
Assistant Professor.

UNIVERSITY OF MISSOURI-COLUMBIA,
Columbia, MO, July 20, 1988.

Hon. ROBERT W. KASTEN, Jr.,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: I am an investigator currently funded by a research grant from the USDA competitive grants program. I also hold grants from the National Institutes of Health and have had continuous federal support for my research since I started my academic career in 1970. In a recent issue of Science I gathered that the USDA budget for its grants program is again being threatened. In this instance it appears that a certain number of "specific" research, i.e. pork barrel, projects will draw off funds from the normally peer reviewed grants. Should this happen it will spell the demise of what has been a pioneering and highly successful endeavor by the USDA.

For years basic scientists such as myself encouraged the USDA to establish a competitive grants program. We saw the success of the NIH system and saw how poorly USDA research funds were used. Monies were doled out year after year to individuals and institutions who often had no right to be doing the work. The process encouraged low quality, poorly innovative research and was wasteful of funds. Even now the amount of money placed in competitive grants is pitifully small. Only about one in five to seven projects gets funded and many meritorious applications are never supported. If the plans for insertion of the pet projects materialize, certain institutions may benefit but these may not be the best or most worthy. Overall the support of agricultural research will receive another blow.

I, therefore, plead with members of the Appropriations Committees to support peer-reviewed research sponsored by the USDA and to reject further attempts to tinker with the limited funding that is available. The development of biotechnology depends upon creative research. The worthiness of such research should be judged by peer

review and not by narrow political considerations.

Sincerely,

R. MICHAEL ROBERTS,
Professor of Animal
Science and Biochemistry.

UNIVERSITY OF MINNESOTA,
St. Paul, MN, July 20, 1988.

Hon. ROBERT W. KASTEN,
U.S. Senate, Hart Building, Washington, DC.

DEAR SENATOR KASTEN: We wish to express our strong objections to recent proposals that would weaken the USDA Competitive Grants program by earmarking a portion of the funds appropriated for this program (Science, 1 July, p. 21). In 1977 Congress established the USDA Competitive Grants program that has since helped to stimulate a strong national research effort in basic agricultural research. This program, however, has never been funded adequately and is able to support only about 15% of its applications. The actual awards are made at levels of funding sharply reduced from those requested and needed to effectively carry out the research. This program has started to meet an important need in American agriculture research. The recent burst of scientific accomplishments in this area clearly demonstrates the effectiveness of this program.

As members of the Midwest Plant Biotechnology Consortium, it was our understanding at the time the Consortium was formed that funding for the Consortium would be new funding and not come out of any existing competitive grant program. We are urging Dr. Harvey Drucker, the Consortium's Director, to not accept funding from the Consortium if it has been diverted from the USDA Competitive Grants program.

Taking this action saddens us because we consider the concept of cooperation among industry, government, and universities envisioned by the Midwest Biotechnology Consortium to be an important new idea in this country's efforts to make its industry more competitive. We commend Congress for attempting to facilitate university-industry interactions, but this absolutely should not be done at the expense of the outstandingly successful USDA Competitive Grants program.

Sincerely,

IRWIN RUBENSTEIN,
Director,

On behalf of the University of Minnesota members of the Midwest Plant Biotechnology Consortium: Dr. Anath Das, Dr. Janet L. Schottel, Dr. Judith Berman, Dr. J. Stephan Gantt, Dr. Neil E. Olszewski, Dr. Paul A. Lefebvre, Dr. Robert E. Pruitt, Dr. Irwin Rubenstein, Dr. Carolyn D. Silflow, Dr. D. Peter Snustad, Dr. Mark L. Brenner, Dr. Alan G. Smith, and Dr. Robert Brambl.

NORTH CAROLINA STATE UNIVERSITY,
Raleigh, NC, July 18, 1988.
Senator ROBERT W. KASTEN,
Senate Committee on Appropriations, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: I was startled to read in Science magazine for 1 July that a badly needed competitive research grants program within the USDA is endangered because Congress has seen fit to allocate its funds for regional projects.

As you know, the fact that the we fund a great deal of our basic science research through a competitive grant system in an im-

portant reason for the overall strength of science and technology in this country. We have not used the competitive system to fund research in plant biology and agriculture to nearly the same extent that we have used it to fund medical research. However, I maintain that real future progress in our agricultural industry will depend critically on the degree to which the federal government supports high quality basic and applied research in universities through competitive mechanisms based on national peer review procedures. At present, the revolution in genetic engineering (funded largely by competitive grants from NIH to medical researchers) has overtaken us—has caught us with too little basic knowledge. For example, simple ignorance of many aspects of plant biology is still a major limitation in many plant improvement programs. However, it is highly unlikely that private industry will create the public knowledge base which is so essential a common resource. The situation is a classic one, one in which a relatively small federal investment (compared to NASA's budget or even that of the NIH) would provide the groundwork our agricultural biotechnology industry needs to become and remain competitive over the next 10 or 15 years.

As desperately needed as it has always been, the USDA Competitive Research Grants program has never been large enough to do its job properly. It is miniscule when compared to the need for its product, or when compared to the budgets of other agencies. We could productively use a ten fold increase in funding over the next five years rather than the decrease currently under consideration. What we need is an "NIH" for agriculture, with a vigorous grants program based on scientific competition and sustaining research and training in universities across the country; what we do not need is a plethora of regional projects competing with one another on a political rather than a scientific basis.

Sincerely,

WILLIAM F. THOMPSON,
University Research Professor
of Botany and Genetics.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the amendment? The Chair hears none.

The question is on agreeing to the amendment.

The amendment (No. 2773) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. I move to lay that motion on the table.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, as part of the discussion between the Senators from Arkansas and Texas we have agreed to accept the amendment of the Senator from Texas and also a companion amendment on the same subject to be offered by the Senator from Vermont, Mr. LEAHY.

I ask unanimous consent that that amendment be offered and that I be permitted to offer that in behalf of the Senator from Vermont.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2774

(Purpose: To change the allocation of funds within the competitive grants program of the Cooperative State Research Service)

Mr. COCHRAN. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] for Senator LEAHY Mr. HARKIN, and Mr. BUMPERS proposes an amendment numbered 2774.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 5, strike out "\$559,157,000" and insert in lieu thereof "\$551,657,000".

On page 12, line 19, before the period, insert the following: "Provided further, That the Secretary of Agriculture shall carry out each of the programs and activities described in the matter under the heading 'Agricultural Research Service' of the Senate report accompanying H.R. 4784 (Senate Report 100-389), in the amounts provided under such matter".

On page 14, lines 23 through 25, strike out "\$24,256,000" and all that follows through "4501)" and insert in lieu thereof the following: "\$32,506,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 4501), including special research grants (in lieu of competitive research grants) of not less than \$2,000,000 for an animal science food safety consortium, \$2,500,000 for a biotechnology midwest consortium, \$2,000,000 for alternative pest control, and \$1,750,000 for a biotechnology Iowa consortium".

On page 15, line 1, strike out "\$40,842,000" and insert in lieu thereof "\$41,842,000".

On page 16, line 12, strike out "\$306,170,000" and insert in lieu thereof "\$315,420,000".

Mr. COCHRAN. Mr. President, this amendment is cosponsored by the Senator from Iowa, Mr. HARKIN, and the Senator from Arkansas, Mr. BUMPERS.

It seeks to transfer funds from the competitive grants programs of ARS to the special grants program.

We hope that we can work out a satisfactory solution and be sure that these programs are all adequately funded when we go to the conference with the House.

We would recommend that this amendment be agreed to.

Mr. LEAHY. Mr. President, the integrity of the Competitive Research Grants Program at the U.S. Department of Agriculture must be protected. This amendment would increase funds available for biotechnology research by moving certain earmarked projects from the Competitive Grants Program in the Cooperative State Research Service [CSRS] to the Special Research Grants Program, also in CSRS.

In this Congress we have spoken at great length about the need to be competitive. I know that I have discussed

the importance of remaining competitive in agricultural biotechnology by funding innovative research in laboratories across our country.

This year the Federal Government will spend over \$2.72 billion on biotechnology research but little of this great sum is invested in agricultural biotechnology. The U.S. Department of Agriculture spends only \$80 million annually on biotechnology.

More agricultural biotechnology research is needed. When the skies failed to shed needed rain, our crops withered and died. Yesterday we responded to the drought and its devastating effect on America. To avoid future disasters, we must develop crops able to withstand harsh climates and biotechnology promises to provide drought resistant crops if proper research investments are made today.

This amendment increases agricultural biotechnology research by redirecting \$7.5 million from the general research account of the Agricultural Research Service to fund special projects provided for in the committee's report while at the same time restoring needed funds to the U.S. Department of Agriculture's Competitive Grants Program. My intention is that \$8.25 million be made available for competitive grants in plant and animal biotechnology research and \$1 million for nutrition research.

Recent studies in agricultural research show that grants awarded competitively are more likely to ensure that our public dollars are invested in high-quality research to benefit all Americans. For example, a recent National Research Council study on agricultural biotechnology stressed the contribution of competitively awarded grants to the development of agricultural biotechnology.

Critics of competitive grants argue that the top 20 universities receive the bulk of research dollars year after year. While I strongly support competitive grants, I must stress the need for the U.S. Department of Agriculture to determine guidelines for the competitive grants program to ensure a reasonable distribution of funds. Similar sized institutions should compete with one another, and no one institution should receive too great a share of the funding available.

I will be sending a letter to the Department next week asking that guidelines be developed to balance the benefits of competitively awarded grants with the need to provide support for a diversity of universities. The foundation of our agricultural system—the land grant complex which includes big and small universities across the country, must be preserved.

Mr. President, the present level of funds available for biotechnology at the U.S. Department of Agriculture is too low to ensure America's leader-

ship. Congress must send a clear signal that competitively awarded, innovative research projects in biotechnology must be a priority.

Mr. HARKIN. Mr. President, I am pleased to be a cosponsor of the amendment offered for the Senator from Vermont, the chairman of the Agriculture Committee. I believe that the amendment solves a significant problem in the way the bill currently deals with research funding.

Many members of the scientific community throughout the country and in my home State of Iowa are very concerned about the integrity of the competitive grants program. The amendment addresses this concern by shifting a number of specific research projects from the competitive grant programs and instead lists them as special grants. It does so without reducing the sums available under the competitive grants in the bill. In fact, it adds \$1 million for competitive grants to partially cover the allocation for human nutrition competitive grants provided for earlier. This is an area of research that I believe is extremely important.

I note that one of those special projects concerning the recovery of fermentation byproducts is of great importance to the entire Corn Belt. Many new products can now be produced through fermentation. For example, Kodak has developed a material which acts as a catalyst to make snow. This material is created through a fermentation process using large quantities of corn. However, the waste produced by this process is very considerable. Fortunately, in this case, the waste from this particular plant can be handled. But, what about the next plant? What about a similar plant producing some other nonfood product in some other city?

I see the use of such nonfood products as one of the ways to bring economic diversification and growth to our agricultural areas. But, if we are to significantly expand the use of nonfood products using fermentation, we are going to have to reduce the cost of dealing with the waste from the process. Thus, we need to provide a greater focus on this whole area.

Mr. President, I again note my support for the Leahy amendment and I urge its adoption.

The PRESIDING OFFICER. Is there further discussion of the amendment?

The question is on agreeing to the amendment.

The amendment (No. 2774) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without question, it is so ordered.

AMENDMENT NO. 2775

(Purpose: To provide funding for the farmers' market coupon demonstration project)

Mr. HARKIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment offered by the Senator from Iowa?

Mr. HARKIN. I am offering it on behalf of Senator KERRY.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN] on behalf of Mr. KERRY proposes an amendment numbered 2775.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 59, lines 23 and 24, strike out "\$1,927,362,000 to remain available through September 30, 1990" and insert in lieu thereof "1,929,362,000 to remain available through September 30, 1990, of which not less than \$2,000,000 shall be used to carry out the farmers' market coupon demonstration project".

On page 61, line 21, strike out "\$50,000,000" and insert in lieu thereof "\$47,280,000, provided, that no State shall receive less in Temporary Emergency Food Assistance Program administrative funds than it would have received had the appropriation remained at \$50,000,000 and further provided that the Secretary of Agriculture make an assessment by May 1, 1989, as to whether there will be sufficient funds to cover all the State's needs for administrative funds and if the Secretary determines there will be insufficient funds the Secretary shall advise where such funds can be obtained."

Mr. HARKIN. Mr. President, I rise to offer an amendment on behalf of Senator KERRY that would allow participants in the Supplemental Food Program for Women, Infants and Children [WIC] to purchase food from farmers' markets.

The WIC Farmers Market Program has been adopted by the Senate as part of the Hunger Prevention Act of 1988. That bill authorized \$2 million for this program for fiscal year 1989. This amendment simply makes a transfer from funds appropriated in the bill for administrative funds for

the Temporary Emergency Food Assistance Program [TEFAP].

As we know, the quantity of TEFAP commodities distributed is declining from as much as \$1 billion worth in recent years to about \$260 million worth in fiscal year 1989. However, the amount of TEFAP administrative funds appropriated has decreased by only \$1 million. The decrease in quantity of distributed TEFAP commodities means that funds are available in the TEFAP administrative account to fund the WIC Farmers Market Program in fiscal year 1989.

The provisions of the WIC Program authorize 10 States to participate in pilot projects, and would require them to share a significant proportion of the expenses. This program is already completely State-funded and operational in four States, namely, Iowa, Connecticut, Massachusetts, and Vermont. Although restricted to specific geographic areas in each State, this program shows enough promise to warrant several pilot projects at the Federal level.

Under the program, participating States issue coupons to WIC participants to be redeemed only at farmers markets for fresh, nutritious, unprepared food. The advantages to this program are four-fold:

First, WIC recipients are introduced to healthy, fresh, homegrown produce; Second, farmers markets receive additional customers;

Third, all money from this program goes directly to farmers. No new structure is required to administer the program; and

Fourth, Federal dollars of \$3.5 million would: purchase \$5 million worth of produce for WIC Program participants and many States are interested in this program and would like to see the results of these pilot projects before pursuing plans of their own. This money would ensure distribution of this information to interested States.

Mr. President, in summary, this amendment provides for funding for the WIC Farmers Market Program that we approved in the hunger bill that we passed here just a few days ago. It provides that people who get these chits under the WIC Program can only use them at farmers markets to buy fresh fruits and vegetables and things like that at farmers markets.

This provides for \$2 million to come out of the TEFAP administrative fund, but only if there is a surplus in the TEFAP administrative fund to fund it. If the Secretary determines by May 1, 1989, that there will be insufficient funds, then it will not kick in, but whatever funds would be there that will not be needed for the TEFAP administrative fund then will be used to fund the WIC Farmers Market Program.

Mr. COCHRAN. Mr. President, we have reviewed the amendment and congratulate the Senator for working out an acceptable compromise on the issue of where the money would come from for this program. We recommend the amendment be agreed to.

Mr. BURDICK. Mr. President, I will not oppose this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2775) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I rise in support of the agriculture and rural development appropriations bill reported by the Senate Appropriations Committee.

This bill provides some \$44.3 billion in budget authority and \$25.9 billion in new outlays for Department of Agriculture farm income stabilization programs, agricultural production, processing, and marketing programs, rural development assistance programs, conservation programs, domestic food programs, international assistance programs, as well as farm credit and related agencies programs.

I commend the subcommittee chairman, the Senator from North Dakota, and the ranking minority member, my good friend from Mississippi, for producing a bill within the subcommittee's section 302(b) allocation.

I am concerned, however, that the bill is not consistent with the budget summit agreement. Let me explain. The bill exceeds the summit cap for international affairs by some \$70 million in both budget authority and outlays for Public Law 480 spending.

The bill, on the other hand, is under the summit cap for domestic discretionary spending by some \$300 million in budget authority and some \$70 million in outlays.

I appreciate the subcommittee's support for a number of ongoing projects and programs important to my home State of New Mexico as it has worked to keep spending within the budget.

I know it was very difficult for the subcommittee members to keep this bill within the budget allocation. I, therefore, strongly urge my colleagues to oppose any amendments that would increase budget authority or outlays in the bill.

MODIFICATION TO AMENDMENT NO. 2770

Mr. COCHRAN. Mr. President, I ask unanimous consent that an amendment which was offered earlier today by Senator DOLE and agreed to, be modified by striking the last two lines of that amendment. It is a technical modification.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment (No. 2770), as modified, is as follows:

At the appropriate place add the following:

Sec. There is hereby transferred \$100,000 from the working capital fund within USDA to support the International Livestock Program at Kansas State University to be administered through the Cooperative State Research Service.

Mr. SASSER. Mr. President, I would like to commend my distinguished colleague from North Dakota for his efforts in bringing this agricultural appropriations bill together. He and his staff have worked diligently and, I believe, have addressed many of the pressing needs we see in rural America today.

I am pleased that this legislation will restore the cuts in funding which the administration had called for in the areas of the Farmers Home Administration rural development loans and grants; the Extension Service, and the Rural Electrification Administration. For while this administration boasts of 7 years of economic growth and development, those of us from States with large rural populations know that these communities are facing faltering economies and high unemployment rates. As we plan for continued growth in America, these communities must remain priorities for developmental assistance.

Also, we earlier made a commitment to the Women, Infants and Children Nutrition Program. My colleagues are well aware of the success of this program around the country. The additional funds which were made available for the WIC Program will continue to provide results in terms of healthy children and lower health and welfare costs in the future. I am pleased that the Senate has supported the necessary funding for this most important program.

Mr. President, I am also pleased that we have included funding in this bill for water quality research and education. The Senate bill provides \$11 million for research and education through the Agricultural Research Service, the cooperative State research service, and the Extension Service. Unfortunately, the House of Representatives has included less funding for water quality in their appropriations bill, and I would encourage that the Senate insist on its level of funding.

Water quality is an issue of great concern across the country. And studies are showing that nonpoint source pollution from agricultural runoff is one of the leading causes of poor quality in our surface and ground water. It will be imperative that future studies determine how we can prevent this extensive runoff and educate our farm-

ers on better management practices to protect our water supplies.

It is my hope that the agencies receiving these funds will move forward quickly with water quality research. The results of this research should lead to improved management practices which can be implemented on farms across the Nation. I believe this funding is the type of investment which provides unlimited returns. We cannot overestimate the value of protecting our water supplies, and I am pleased that we are making this initial commitment to future water quality.

Mr. President, I again would like to commend the managers of the bill, and I urge its passage.

CONTACT LENS PROVISION

Mr. HATCH. Mr. President, I rise in support of the contact lens provision in the agriculture appropriations bill. The issue before us, the reclassification of certain contact lenses, is one that warrants our attention today.

Mr. President, contact lenses should not be maintained as class III medical devices as regulated through the Food, Drug and Cosmetic Act. Class III is the highest, and most expensive, level of regulation under this act. Its primary purpose is to ensure that new medical devices are entirely safe and effective before they can be marketed. Its use is for only the most sophisticated life-supporting devices, like heart valves, pacemakers, and anesthesia machines, or for those which presented unreasonable risk.

Since the enactment of this law, contact lenses have been trapped in a regulatory maze, unable to break through the administrative burden imposed by being a class III medical device. In 1982, when the Food and Drug Administration proposed to reclassify nonhydrophilic contact lenses as a class II device, the proposal had to be dropped. This proposal was not dropped because FDA feared the safety of contact lenses. Rather, the proposal was dropped because of quirks in our Federal law. The FDA could not put forward the data demonstrating the safety of the nonhydrophilic contact lenses.

Mr. President, the amendment included in this bill doesn't end FDA's authority to ensure that contact lenses are safe. As a matter of fact, it merely proposes that if the Secretary of HHS decides that they should be a class I, II or III device, within 1 year, then they will be automatically classified as a class II device.

Now, I want to assure my colleagues that class II still requires FDA oversight. In fact, the class II regulation embodied in current law under section 513(a)(1)(B) requires that—

a device which cannot be classified as a class I device because the controls * * * by themselves * * * is (sic) insufficient to provide reasonable assurance of the safety and

effectiveness of the device, for which there is sufficient information to establish a performance standard to provide such assurance, and for which it is therefore necessary to establish for the device a performance standard * * * to provide reasonable assurance of its safety and effectiveness.

There are many class II devices that must still show they are safe and effective. Just recently the FDA has determined that devices such as the extraocular orbital implant should be in class II. This device is a nonabsorbable device intended to be implanted during scleral surgery for buckling or building up the floor of the eye, usually in conjunction with retinal reattachment. Another class II device, the ophthalmic laser, is an AC-powered device used to coagulate or cut tissues of the eye orbit by laser beam.

Mr. President, the real issue before us is not the safety of these lenses. Rather, this is a small business problem. I am pleased to join my colleague, from Arkansas, and chairman of the Small Business Committee on this issue. He agrees that this regulatory trap created for contact lenses is an unnatural marketplace barrier which is forcing small manufacturers out of the marketplace. We need to encourage competition, develop more jobs and decrease costs. There is no scientific proof that contact lenses cause harm; many million are worn every day without adverse effects.

I thank my colleagues for including this amendment in the committee bill.

TOO EXPENSIVE, DESPITE CHANGES

Mr. PELL. Mr. President, we have made many improvements in the Agriculture appropriations bill, including earmarking more funds for nutrition programs to assist those who need it most, but the measure remains too expensive and too ineffective for me to support.

Clearly we must act to protect farmers, who need help recovering from both hard economic times and drought. This bill, however, only repeats the mistakes of the past by continuing enormous farm subsidies that reward the wealthy, at great cost to the taxpayers and consumers, and do little for those who need help the most.

We did not make enough changes, unfortunately, to cut this expensive bill down to size or to make it an effective vehicle to aid the Nation's farmers. For that reason, after considerable reflection and looking at our budget situation, I decided I could not support final passage of the Agriculture appropriations bill in its current form.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from Texas [Mr. BENTSEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Massachusetts [Mr. KERRY], the Senator from Michigan [Mr. LEVIN], the Senator from Nevada [Mr. REID], the Senator from Michigan [Mr. RIEGLE] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Arizona [Mr. MCCAIN], the Senator from Connecticut [Mr. WEICKER] and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. WEICKER] and the Senator from California [Mr. WILSON] would each vote "yea."

The PRESIDING OFFICER (Mr. GLENN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 74, nays 8, as follows:

[Rollcall Vote No. 278 Leg.]

YEAS—74

Adams	Glenn	Mitchell
Bingaman	Graham	Moynihan
Bond	Gramm	Murkowski
Boren	Grassley	Nickles
Boschwitz	Harkin	Nunn
Breaux	Hatch	Packwood
Bumpers	Hatfield	Pressler
Burdick	Hecht	Pryor
Byrd	Heflin	Quayle
Chiles	Heinz	Rockefeller
Cochran	Hollings	Sanford
Cohen	Inouye	Sarbanes
Conrad	Johnston	Sasser
Cranston	Karnes	Shelby
D'Amato	Kassebaum	Simpson
Danforth	Kasten	Specter
Daschle	Lautenberg	Stafford
DeConcini	Leahy	Stennis
Dixon	Lugar	Stevens
Dole	Matsunaga	Thurmond
Domenici	McClure	Trible
Evans	McConnell	Wallop
Exon	Melcher	Warner
Ford	Metzenbaum	Wirth
Fowler	Mikulski	

NAYS—8

Garn	Pell	Rudman
Helms	Proxmire	Symms
Humphrey	Roth	

NOT VOTING—18

Armstrong	Dodd	McCain
Baucus	Durenberger	Reid
Bentsen	Gore	Riegle
Biden	Kennedy	Simon
Bradley	Kerry	Weicker
Chafee	Levin	Wilson

So the bill (H.R. 4784), as amended, was passed.

Mr. BURDICK. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BURDICK. Mr. President, I move that the Senate insist upon its amendments to H.R. 4784 and request a conference with the House on the disagreeing votes of the two Houses and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. GLENN) appointed Mr. BURDICK, Mr. STENNIS, Mr. CHILES, Mr. SASSER, Mr. BUMPERS, Mr. HARKIN, Mr. INOUE, Mr. COCHRAN, Mr. MCCLURE, Mr. KASTEN, Mr. SPECTER, Mr. GRASSLEY, and Mr. HATFIELD conferees on the part of the Senate.

Mr. BURDICK. Mr. President, again, I want to thank Senator COCHRAN for his help on managing this bill and seeing it through to final passage. His guidance is most helpful and I could not ask for a more cooperative and informed ranking member.

I would also like to say a special thank you to the committee staff who has worked so long and hard on this bill. Rocky Kuhn, Debbie Dawson, and Connie Gleason for the majority and Irma Hanneman and Judee Klepec for the minority have all worked very hard, and without their expertise, we would not have been able to complete the task.

Mr. BYRD. Mr. President, I know that several Senators want to speak on various and sundry matters.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business for not to exceed 5 o'clock p.m. today and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Parliamentary inquiry, Mr. President. I understand the majority leader plans to bring up the housing bill on Monday.

Mr. BYRD. Yes.

Mr. THURMOND. The Judiciary Committee has not even considered

that bill. Does the majority leader want it brought up without getting the benefit of the committee action on it?

Mr. BYRD. May I say to my distinguished friend, I have no personal wishes in the matter at all. It is just that the Senators on my side have indicated they want to take up the House bill. I am trying to expedite the business of the Senate. I have no personal feelings about it one way or the other.

Mr. THURMOND. Mr. President, if any Senator can say he wants something brought up, then the committees have no function here.

Mr. BYRD. I do not run into that situation often, but this is a bill that has passed the House. I do not know of anything else we can take up on Monday, unless it is minimum wage. I thought it would be better to take up the fair housing bill at this time than minimum wage.

Mr. THURMOND. Mr. President, I want to say I wrote the distinguished majority leader and the distinguished Republican leader letters and suggested that there be no delay, but that we refer it to the committee, say, for 5 days, or a certain number of days, and have a time limit on it, and it would automatically come back and there would be no delays.

If that had been done, the bill would probably be ready to start on Monday. It has not even come to the committee. We would like to take a look at it and see what is in it and make some recommendations. Maybe it can be taken up later in the week or the following week.

Mr. BYRD. Mr. President, I certainly always want to accommodate the distinguished Senator from South Carolina. He is always a gentleman and has always been so courteous to me.

The problem is I have nothing else I can go to other than minimum wage or a bill of Senator HELMS and Senator SANFORD.

I would take up the defense appropriations bill Monday, but the problem there is we keep hearing that the President may veto the DOD authorization bill. I do not want to take up the DOD appropriations bill Monday, because the President has until midnight next Friday to make up his mind on the DOD authorization bill.

I do not want to take that appropriations bill up until we know what the President is going to do on that DOD authorization bill. We do not know what he is going to do on the plant-closing bill until midnight Wednesday. Once we get by midnight Wednesday, if he vetoes that bill, we will try to override it, and then I can go to the trade legislation. But I cannot go to that now because I want to find out what he is going to do on plant closing.

So that leaves me no alternative but to go to fair housing, and our time is running out. We only have 2 more weeks until we are out for the Republican Convention. Then I hope we can finish our work perhaps by September 30 or no later than October 8. So we do not have much time. So I am in a position where I have to go with the very first opportunity, if we are going to get these matters taken care of.

So that is the situation I am in.

Mr. THURMOND. Mr. President, why should this bill be exempted from going to a committee? It is a very complex bill. It carries a lot of long-reaching decisions in it. Why should that be exempt from going to committee like any other important piece of legislation, even if you do not reach it this year?

Mr. BYRD. It is not a new thing. It will not be setting a new precedent by any means. The Senator knows that. I have explained my situation on that. If I have other work I can do, I would certainly go to it. I am more interested in getting the fair housing before we go out but next week we have a few days there which constitute a window in which I think we ought to move to something that is going to have to move before a veto.

Mr. THURMOND. Mr. President, I would suggest if the Senator does not have anything else to go to on Monday, Tuesday, or Wednesday maybe we can move to the textile bill. In the meantime—instead of having it back by Thursday of next week—send it to Judiciary. In other words, give us Monday, Tuesday, Wednesday, 3 days to consider the bill and get it back to the Senate. Fix a deadline so there cannot be any delay. In the meantime, we can go to the textile bill, and act on that because we plan to go to it anyway I understand this year. I hope we will. I urge the majority leader to go to it.

Mr. BYRD. I want to.

Mr. THURMOND. I want to see the textile bill considered. Could we take that up Monday, then give us until Thursday on this fair housing bill, give us a chance to consider it, and get it back to the Senate by, say, Thursday or Friday?

Mr. BYRD. I cannot go to the textile because I want to do that trade bill before I do the textile bill.

Mr. THURMOND. We can go to the trade bill.

Mr. BYRD. I have explained why I cannot go to the trade bill. I cannot do that until I know what the President is going to do on the plant-closing bill. As soon as he shows his hand on that bill, then we will go to the trade bill.

Mr. THURMOND. I just want to say if we start that procedure around here when you have a bill that is as far reaching as this housing bill is—and it is far reaching, and I want to study it. I may vote for it. It depends on the

shape it is in. But it seems to me we should not try to shortcut the committees and say, well, time is short; we do not have anything else to take up on the floor; and therefore we have to take this up. I really do not think that is a good excuse.

Mr. BYRD. I am sorry the Senator does not think it is a good excuse. I do not offer it as an excuse. I offered it as the reasons why I am constrained to do that. I certainly appreciate the Senator's feelings about this. It is no excuse. That is just the situation. I have tried to outline it. I tried to look down the road and take all of these matters into consideration, when we ought to do this bill, that bill, and the other bill; and I have explained why I cannot go to those other bills at this time.

Mr. THURMOND. I will not object to it coming up if it has been to the committee even 2 days where we can consider it and get it back. But I think we have to object to it coming up until that has been done, because in the first place this bill ought to have the consideration of the Judiciary Committee. It is an important bill. In the next place, I think we set the precedent here when some important bill is exempted from going to committee simply because we have no other piece of business to bring up. That is not a very good excuse. I really feel it ought to go to the committee for some consideration.

Mr. BYRD. I have nothing to do with it not going to the committee. I have nothing to do with that.

Mr. THURMOND. It has been here several days, has it not? It should have been referred to the committee before now.

Mr. BYRD. I have absolutely nothing to do with that. That was not my fault.

Mr. THURMOND. Who requested it be held at the desk?

Mr. BYRD. Mr. President, I would be glad to talk with the Senator and discuss this with him until the shades of the evening are falling. I have laid out the situation the best I know how. I see no other alternative but to proceed as I have suggested. It will not be setting a precedent. We certainly have taken measures up on this floor before without their having been to a Senate committee.

Mr. THURMOND. Mr. President, I state again it is not my idea to delay at all. I want the committee to have a chance to look at it like any other committee ought to have a chance to look at any other bill. The Finance Committee has to consider a trade bill. The Commerce Committee has to consider their bills. It seems to me this housing bill is very important and it ought to have consideration by the committee for at least 2 or 3 days, and then there will be no effort to delay. It

will automatically come back, and we can see if we cannot work that out.

Mr. BYRD. I have told the Senator where I stand. If he wishes to discuss with the chairman of the Judiciary Committee who is ill, or the ranking member, why the bill has not come before the committee, he can do that. I have no alternative however but to proceed. The Senator can object if he wishes to. That is my intention on Monday—to go to that bill.

Mr. THURMOND. Mr. President, I might say the staffs are working now trying to iron out a few things here but we hope we get it to the committee so we could take some action on it. I will be glad to yield to the distinguished Senator from Missouri.

Mr. DANFORTH. I just wanted the floor.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. THURMOND. Mr. President, I would have to file objection to taking the bill up on Monday until the committees have some consideration of it.

DRUGS ON OUR HIGHWAY

Mr. DANFORTH. Mr. President, on July 23, a Gray Line busdriver was arrested for drug abuse on the Garden State Parkway near Egg Harbor, N.J. State police were called in to investigate after the busdriver veered off the road into the woods uprooting several trees.

It was reported that people on the bus said they watched the busdriver stop to take some kind of drug shortly before the accident. Apparently the police found cocaine in the busdriver's possession, and charged her with possession of drugs and driving under the influence.

The busdriver had been taking a church group to Atlantic City. Three of the forty-three passengers who had placed their trust in that driver were seriously injured, one in critical condition. They were lucky. No one was killed.

This was not an isolated incident. Last April, the driver of a double decker tourist bus drove into a George Washington Parkway bridge in Alexandria, VA, killing 1 person and injuring 32 passengers. That driver tested positive for cocaine, valium, and marijuana.

These accidents represent just the tip of the iceberg of the drug problem in the motor carrier industry, which includes both truck and bus drivers.

During a November 1983 strike, Greyhound Buslines took applications from a group of experienced intercity busdrivers. They found that 30 percent of the applicants' urine samples tested positive for marijuana.

A 1986 Insurance Institute for Highway Safety study conducted at a Tennessee truck stop found that 30 percent of a random sample of 300 truck-

drivers tested positive for drugs "with the potential for abuse."

A 1987 California investigation of truck stops resulted in drug arrests of 130 people, including 26 drivers of the 80,000 pound trucks that share our highways.

On May 19, a truckdriver rammed more than two-dozen vehicles on a Los Angeles freeway, but miraculously caused only minor injuries. Police found amphetamines, a hypodermic syringe, and a partly smoked marijuana cigarette in his cab.

Movers News, the publication of the moving and storage industry, editorialized this month that the CB and truck stop are becoming a growing part of the drug trafficking network in this country. Witnesses before the Commerce Committee testified to this as early as July 1986.

The drivers themselves recognize there is a problem. The 1986 Annual Motor Carrier Safety Survey of commercial drivers revealed that 40 percent of them believe at least half of their colleagues sometimes drive under the influence of drugs.

The 1987 Motor Carrier Safety Survey found that 73 percent of commercial drivers now support mandatory random alcohol drug testing of all commercial motor vehicle drivers. Drivers of trucks and buses know that their lives are at stake. They want action.

The Senate has acted. Last October, the Senate passed, by a vote of 83 to 7, an amendment to a consumer aviation bill, H.R. 3051, calling for random drug and alcohol testing legislation for safety-related transportation workers.

The House conferees on H.R. 3051 refuse to be a part of the solution. In fact, they have become a part of the problem. Since last October, we have waited for the House to act.

These conferees do not speak for their fellow House Members. On June 15, the House passed a nonbinding resolution by a vote of 377 to 27, instructing the conferees to concur with the Senate's drug testing amendment.

Congress is about to be given another chance. The Senate's omnibus drug abuse prevention initiative for 1988 will contain the same random testing provisions that the Senate adopted by a vote of 83 to 7, and the House supported by a vote of 377 to 27.

I will continue to do everything within my power to see enactment of legislation requiring mandatory random drug testing in the transportation industry. The clock is running out on the 100th Congress. In the meantime, innocent people are dying unnecessarily.

LABOR, HHS, EDUCATION APPROPRIATIONS BILL

Mr. HATCH. Mr. President, I would like to take this opportunity to thank Senator CHILES, Senator WEICKER, and the other members of the Appropriations Committee for their dedication and work in bringing the Labor, HHS, Education and related agencies appropriations bill to the floor. They worked long and hard on the original bill and accommodated the amendments of many Members before passage.

I would like to acknowledge the special contribution that Senator CHILES has made to this process during his tenure as chairman of the Appropriations Subcommittee. He will be missed by all of us in the Senate and particularly by those most affected by the work of the Labor, HHS, Education and Related Agencies Appropriations Subcommittee's work. His willingness to listen and balance competing concerns in a fair and equitable manner and his strong representation of the Senate's positions in conferences with the House of Representatives will be remembered.

Mr. President, there is no other appropriation bill that touches as many people as does this one. When we completed our work on this bill it reflected our best effort to address a range of problems from the need to improve the quality of education and ensure access to postsecondary education, to basic health research and social services, to the delivery of health care, to protecting the American worker, and to helping the disabled and disadvantaged in America. The Labor, HHS, Education appropriations bill is truly helping to build a better educated and healthier nation.

I am particularly pleased to note that this appropriations bill provides funds for a program to support health services in the home. This program will provide funds to support grants to the States for demonstration projects. These projects will identify and assist individuals who could avoid costly institutionalization if home health services were made available to them. I would like to thank personally the members of the Appropriations Committee for their support of this program on behalf of those who will benefit from the funding of these home health programs. They will allow many more people to remain in their homes and aid family members in providing care to their loved ones in their home. I would ask that the conferees retain this provision in the final bill.

Also of major importance to me is this bill's funding of education programs. With the appropriations from this bill, the newly authorized Hawkins-Stafford elementary and Secondary School Improvement Amendments of 1988 will be put into operation. All

of us who worked on that legislation hope that the changes in our Nation's elementary and secondary education programs therein enacted will enhance the quality of education offered throughout our country and particularly for the educationally and economically disadvantaged. Also funded by this bill are the Federal student financial aid programs without which so many young and not-so-young people would be denied access to a variety of postsecondary educational programs. We will all benefit from improving the quality of and ensuring access to education. These are well-established responsibilities of the Federal Government to supplement the activities of States and local governments. I wholeheartedly support them. Investing in education is, I believe, an investment in our national strength and security.

SENATE RESOLUTION ON THE LABOR, HHS, EDUCATION APPROPRIATIONS BILL

Mr. KENNEDY. Mr. President, on Wednesday evening I offered a sense-of-the-Senate resolution to the Labor, HHS, Education appropriations bill that was accepted by voice vote. This resolution expressed the sense of the Senate that the Senate conferees on the Labor, HHS, Education Appropriations Act should make available \$39.8 billion in budget authority for domestic discretionary programs. Our intention was to encourage the appropriations conferees to accept the spending level specified in the House 302(b) allocation and included in the Senate-passed budget resolution.

I understand that there is some concern about the wording of this resolution because it did not specifically refer to discretionary budget authority.

Mr. President, I am certain that our intent was quite clear and have been assured that there was no doubt about what we were trying to accomplish. However, to make absolutely certain that there is no doubt, I would like to have the resolution reprinted in the RECORD with a specific reference to discretionary budget authority.

It is the Sense of the Senate that the Senate Conferees on this Act should in the Conference Report on this Act make available amounts equal to \$39,800,000,000 in discretionary budget authority.

Mr. President, this resolution was accepted by voice vote on Wednesday night. I ask unanimous consent that a copy of the resolution be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 79, between lines 21 and 22, insert the following:

SEC. . It is the sense of the Senate that the Senate conferees on this Act should in the conference report on this Act appropriate and make available amounts equal to

\$39,800,000,000 in discretionary budget authority.

WCAU-TV'S 40TH ANNIVERSARY

Mr. SPECTER. Mr. President, on May 23, 1948, WCAU-TV inaugurated its first day of service to Philadelphia, PA, and the Delaware Valley with its first day of scheduled programming. Following more than 17 years of testing, the station signed on with a test pattern in March of that year and continued shakedown programming, including broadcasts of the Philadelphia Orchestra, in the following months. During its first full week, WCAU-TV logged 29 hours of programming, reaching the 35,000 television sets then in use in the Philadelphia area. Within 8 months, WCAU's schedule had grown to 55 hours a week. And today, as WCAU-TV celebrates 40 years of programming to Philadelphia, channel 10 broadcasts round the clock, 7 days a week.

WCAU-TV signed on just in time to bring Philadelphia their first television news coverage of both the 1948 nominating conventions held in the Philadelphia Civic Center. Gov. Thomas Dewey was named to run against President Harry S. Truman.

In April, 1988, WCAU continued its proud tradition of live coverage of political activities by bringing the debate between Democratic candidates Michael Dukakis and Jesse Jackson to viewers throughout the Delaware Valley and, through cable linkage, to viewers across the Nation. Channel 10 provided on-the-scene coverage of the Democratic Convention in Atlanta and will be covering the Republican Convention in New Orleans live as well.

WCAU-TV became the first station to join Columbia Broadcasting System's TV network in 1948, and, in 1958, CBS, Inc., acquired both WCAU-TV and its sister radio station, WCAU Radio.

Since 1952, WCAU-TV has beamed news and entertainment to Philadelphia from its uniquely designed building at City Line Avenue and Monument Road. When it first opened its doors, the building was hailed as the world's most complete radio and television center.

For 40 years, WCAU-TV has served the viewers of the Delaware Valley well, bringing them a wealth of entertainment, news and public service programming. Channel 10's celebration of the bicentennial of the Constitution, "We the People," in 1987, is illustrative of its commitment to saluting and preserving the great historic heritage of the Philadelphia area. Recent community involvements include station-wide participation in "A World of Difference" and the "Call for Action" programs.

It is altogether fitting, then, that the U.S. Senate take note of the 40th

anniversary of WCAU-TV, recognize its contributions to the civic and community life of the Philadelphia area and wish it continuing success in the decades ahead.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DeCONCINI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF CONFEREES—H.R. 5015

Mr. BYRD. Mr. President, I ask that the Chair appoint conferees on H.R. 5015, the drought relief bill.

The Presiding Officer appointed Mr. LEAHY, Mr. MELCHER, Mr. PRYOR, Mr. BOREN, Mr. HEFLIN, Mr. DOLE, Mr. COCHRAN, and Mr. BOSCHWITZ; and, from the Committee on Energy and Natural Resources, only for the consideration of the Bureau of Reclamation provisions, Mr. JOHNSTON, Mr. BRADLEY, Mr. BINGAMAN, Mr. McCLURE, and Mr. WALLOP conferees on the part of the Senate.

Mr. BYRD. Mr. President, I yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, I think there is an omission on the Republican side. I think it is five to four. Senator LUGAR should be added. It should be Mr. LUGAR, Mr. DOLE, Mr. COCHRAN, and Mr. BOSCHWITZ.

The PRESIDING OFFICER. Without objection, it is so modified.

REVISED DEFERRALS OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 149

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, and the Committee on Armed Services:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two revised deferrals of budget authority now totaling \$610,581,549.

The deferrals affect programs in the Department of Defense—Civil and Funds Appropriated to the President.

The details of these deferrals are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, July 29, 1988.

MESSAGES FROM THE HOUSE

At 12:30 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the title of the bill (H.R. 1860) entitled the "Federal Land Exchange Facilitation Act of 1987," and that the House agrees to the amendment of the Senate to the text of the bill, with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3964. An act to establish a National Park System Review Board, and for other purposes;

H.R. 4675. An act to amend the Domestic Volunteer Service Act of 1973 to extend through the fiscal year 1989 the authority contained in such Act related to drug abuse prevention activities;

H.R. 4676. An act to amend the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 to extend through the fiscal year 1989 the authorities contained in such Act; and

H.R. 4694. An act to amend the Perishable Agricultural Commodities Act to increase the statutory ceilings on license fees.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3964. An act to establish a National Park System Review Board, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4694. An act to amend the Perishable Agricultural Commodities Act to increase the statutory ceilings on license fees; to the Committee on Agriculture, Nutrition, and Forestry.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times by unanimous consent, and placed on the calendar.

H.R. 4675. An act to amend the Domestic Volunteer Service Act of 1973 to extend through the fiscal year 1989 the authority contained in such Act related to drug abuse prevention activities.

H.R. 4676. An act to amend the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 to extend through the fiscal year 1989 the authorities contained in such Act.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3652. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to amend section 5131 of title 31, United States Code, to eliminate the Gen-

al Services Administration's statutory responsibilities concerning the repair and improvement of the United States Mint at Philadelphia, Pennsylvania; to the Committee on Environment and Public Works.

EC-3653. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the Monetary Policy Report of the Board; to the Committee on Banking, Housing, and Urban Affairs.

EC-3654. A communication from the Acting Secretary of Agriculture, transmitting, pursuant to law, the Nez Perce National Forest Plan; to the Committee on Energy and Natural Resources.

EC-3655. A communication from the Chief of the Forest Service, Department of Agriculture, transmitting, pursuant to law, the boundary description and classification of the Saline Bayou Wild and Scenic River within the Kisatchie National Forest, Louisiana; to the Committee on Energy and Natural Resources.

EC-3656. A communication from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to permit exchange of coal in lands within Congressionally Designated Areas administered by the Secretary of the Interior; to the Committee on Energy and Natural Resources.

EC-3657. A communication from the Assistant Secretary of the Interior (Water and Science), transmitting, pursuant to law, notice of the deferment of the first payment due from the Uintah Water Conservancy District on the Jensen Unit, Central Utah Project, Utah; to the Committee on Energy and Natural Resources.

EC-3658. A communication from the Secretary of Energy, transmitting, pursuant to law, a report entitled "Summary of Expenditures of Rebates from the DOE Low-Level Radioactive Waste Surcharge Escrow Account for Calendar Year 1987"; to the Committee on Energy and Natural Resources.

EC-3659. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report under the Public Utility Regulatory Policies Act, dated June 1988; to the Committee on Energy and Natural Resources.

EC-3660. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on the Outer Continental Shelf Oil and Gas Leasing and Production Program for fiscal year 1987; to the Committee on Energy and Natural Resources.

EC-3661. A communication from the Administrator of the Agency for Toxic Substances and Disease Registry, Public Health Service, Department of Health and Human Services, transmitting, pursuant to law, a report entitled "The Nature and Extent of Lead Poisoning in Children in the United States: A Report to Congress"; to the Committee on Environment and Public Works.

EC-3662. A communication from the Secretary of Labor, transmitting, pursuant to law, a quarterly report on the Expenditure and Need for Worker Adjustment Assistance Training Funds under the Trade Act of 1974; to the Committee on Finance.

EC-3663. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for the more efficient transportation abroad of government-financed passengers and property by non-certified air carriers, and for other purposes; to the Committee on Foreign Relations.

EC-3664. A communication from the Assistant Secretary of State (Legislative Af-

fairs), transmitting, pursuant to law, notice that the Acting Secretary of State has certified that it is in the national interest of the United States to make certain funds available for activities in Mozambique; to the Committee on Foreign Relations.

EC-3665. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to July 21, 1988; to the Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROCKEFELLER:

S. 2668. A bill to reduce temporarily the duty on 1,6-hexamethylene diisocyanate; to the Committee on Finance.

By Mr. BOREN (for himself, Mr. DURENBERGER, Mr. DANFORTH, Mr. PRYOR, Mr. BAUCUS, Mr. DASCHLE, Mr. LUGAR, Mr. LEAHY, Mr. COCHRAN, Mr. SYMMS, Mr. PRESSLER, Mrs. KASSEBAUM, Mr. GRASSLEY, and Mr. BOSCHWITZ):

S. 2669. A bill to amend section 1388 of the Internal Revenue Code of 1986; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. KERRY, and Mr. DASCHLE):

S. 2670. A bill to exclude Agent Orange settlement payments from countable income and resources under Federal mean-tested programs; to the Committee on Veterans Affairs.

By Mr. MELCHER:

S. 2671. A bill to amend title XVIII of the Social Security Act to provide grants to States for long-term care assistance programs, and for other purposes; to the Committee on Finance.

By Mr. SANFORD:

S. 2672. A bill to provide Federal recognition for the Lumbee Tribe of North Carolina; to the Select Committee on Indian Affairs.

By Mr. THURMOND:

S. 2673. A bill to provide for the relief of Ibrahim Hakki Demircan; to the Committee on Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BURDICK (for himself and Mr. STAFFORD):

S. Res. 454. A resolution increasing the limitation on expenditures by the Committee on Environment and Public Works for the procurement of consultants with funds transferred from administrative expenses at no additional increase to authorized budget; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOREN (for himself, Mr. DURENBERGER, Mr. DANFORTH,

Mr. PRYOR, Mr. BAUCUS, Mr. DASCHLE, Mr. LUGAR, Mr. LEAHY, Mr. COCHRAN, Mr. CONRAD, Mr. SYMMS, Mr. PRESSLER, Mrs. KASSEBAUM, Mr. GRASSLEY, and Mr. BOSCHWITZ):

S. 2669. A bill to amend section 1388 of the Internal Revenue Code of 1986; to the Committee on Finance.

SALE OF CERTAIN ASSETS BY COOPERATIVES

● Mr. BOREN. Mr. President, in recent years there have been an increasing number of disputes between farmer cooperatives and the Internal Revenue Service over the proper Federal income tax treatment of gain or loss resulting from the sale of assets used by cooperatives in their patronage operations. The issue in controversy is whether gains or losses from such dispositions should be considered to be derived from patronage or nonpatronage sources. This distinction is important because gain from patronage sources is eligible to be distributed to patrons as a patronage dividend which is deductible to a cooperative—and taxable to the patrons. Nonpatronage sourced income is taxable to a nonexempt agricultural cooperative whether or not it is distributed to the farmer patrons.

Over the years, agricultural cooperatives have taken different approaches toward the classification of gain or loss from the sale of assets used in the patronage operation. Some cooperatives have treated this gain or loss as patronage sourced on the ground that the assets sold were "directly related to" or "actually facilitated" the marketing, purchasing, or service activities of the cooperative. Other cooperatives have treated gain or loss from the sale of assets used in the patronage operation as nonpatronage sourced in reliance on a Treasury regulation.

Recent court decisions have consistently applied a "directly related/actually facilitates" test in distinguishing between patronage and nonpatronage income. Notwithstanding these decisions the IRS has continued to assert deficiencies in such cases based on a Treasury regulation.

Today I join with my colleague from Minnesota, Senator DURENBERGER, as well as Senator DANFORTH, Senator PRYOR, Senator BAUCUS, Senator DASCHLE, Senator LUGAR, Senator LEAHY, Senator COCHRAN, Senator CONRAD, Senator SYMMS, Senator PRESSLER, Senator KASSEBAUM, and Senator GRASSLEY, in introducing legislation that would permit cooperatives to elect ordinary patronage sourced treatment for gain or loss from the disposition of any asset provided that the asset was used by the organization to facilitate the conduct of business done with or for patrons. The election would apply indefinitely, unless revoked. If revoked, a new election could not be made for 3 years. Co-

operatives making the election for taxable years beginning prior to 1989 could also elect treatment for all prior taxable years.

The proposed legislation would put an end to this controversy and avoid continuing audit disputes and court proceedings that are burdensome for farmer cooperatives and consume U.S. tax dollars in enforcement activity.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2669

Section 1388 of the I.R.C. of 1986 shall be amended by redesignating subsection (k) as subsection (l), and by adding a new subsection (k), as follows:

(k) TREATMENT OF GAINS OR LOSSES ON THE DISPOSITION OF CERTAIN ASSETS.—For purposes of this title, in the case of any organization to which part I of this subchapter applies—

(1) IN GENERAL.—An organization may elect to include gain or loss from the sale or other disposition of any asset (including a security within the meaning of section 1236(c)) as ordinary income or loss and to include such gain or loss in net earnings of the organization from business done with or for patrons, if such asset was used by the organization to facilitate the conduct of business done with or for patrons.

(2) PERIOD TO WHICH ELECTION APPLIES.—An election under paragraph (1) which is filed with the return for a taxable year beginning before December 31, 1988, shall apply to such year and subsequent years, and shall be effective, if the notice of election so provides, for all taxable years for which the period of limitation on assessment and collection under section 6501 has not yet run and for other taxable years where the treatment of gains or losses on assets described in this section affects the organization's tax liability in such open years. An election filed with the return for years beginning after December 31, 1988 shall be effective for taxable years beginning after such notice is filed.

(3) TERMINATION OF ELECTION.—An election under paragraph (1) may be terminated by filing a notice of revocation. Such revocation shall be effective for taxable years beginning after the notice of revocation is filed.

(4) ELECTION AFTER TERMINATION.—If a taxpayer has made an election under paragraph (1) and such election has been terminated under paragraph (3), such taxpayer shall not be eligible to make an election under paragraph (1) for any taxable year before its third taxable year which begins after the first taxable year for which such revocation is effective, unless the Secretary consents to such election.

(5) NO INFERENCE.—Nothing in this subsection shall be construed to infer that a change in the law is intended for organizations not having in effect an election under paragraph (1). Such gain or loss from the sale or other disposition of any asset by such organization shall be treated as if this subsection had not been enacted.●

● Mr. DURENBERGER. Mr. President, I am pleased to join the distinguished Senator from Oklahoma, Senator BOREN, in introducing legislation

that would provide the Nation's farmer cooperatives a safe harbor regarding the tax treatment of gain or loss from the sale of cooperative property.

Under current law, cooperatives are allowed a deduction for patronage dividends paid to patrons out of income or earnings resulting from business done with or for patrons. However, in many cases it is not clear whether gain or loss from the sale or disposition of cooperative property is patronage sourced. The Internal Revenue Service has, in the past, taken conflicting positions on the characterization of such income. This has led to time-consuming and expensive litigation between the Service and many of the Nation's cooperatives.

The legislation we are introducing today would resolve this ongoing conflict. It would permit cooperatives to elect patronage-sourced treatment for gain or loss from the disposition of any asset, provided the cooperative can demonstrate that, as a matter of fact, the asset was used by the organization to facilitate the conduct of business done with or for patrons. It is important to note that the elective feature of this legislation will permit cooperatives to gain assurance that the actually facilitates test of the statute will govern their determination of patronage sourced gain or loss from the disposition of any asset. In order not to disturb legitimate industry practices, cooperatives that wish to continue relying on Treasury regulations may do so by not taking advantage of the election.

Finally, Mr. President, I would note that the legislation's requirement that a facilitative relationship exist between the historical use of the asset and the conduct of the cooperative's activities with or for its member patrons, protects the Government's legitimate interest in assuring that the statutory tax benefits enjoyed by cooperatives are not abused.

I encourage my colleagues to join this bipartisan effort to resolve this problem.●

By Mr. MOYNIHAN (for himself, Mr. KERRY, and Mr. DASCHLE):

S. 2670. A bill to exclude agent orange settlement payments from countable income and resources under Federal means tested programs; to the Committee on Veterans' Affairs.

AGENT ORANGE SETTLEMENT PAYMENTS

● Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation to prevent disabled veterans and their survivors from losing Federal public assistance benefits if they are recipients of settlement payments in the litigation against the manufacturers of agent orange.

As announced by a Federal district court in Brooklyn on July 5, totally disabled Vietnam veterans who were exposed to the highly toxic herbicide agent orange will begin receiving payments early next year from the settlement of a suit against the chemical's makers.

Just last month, a U.S. Supreme Court ruling cleared the last legal obstacle to the 1984 settlement agreement. Under the agreement, the chemical companies agreed to pay \$180 million to settle all claims while admitting no liability for any injuries or deaths caused by the use agent orange. To receive payments, a veteran must be totally disabled, must show exposure to agent orange in Vietnam, and show that the disability was not caused by another injury. Payments will also be made to the families of veterans whose deaths are linked to agent orange.

Mr. President, based on court estimates, an eligible veteran will receive an average disability settlement payment of about \$5,700. An eligible survivor will receive an average death payment of about \$1,800. Of the 250,000 veterans who have filed preliminary claims, about 40,000 to 60,000 may be eligible for payments.

Without a change in the law, these settlement payments will be counted as income for purposes of determining eligibility for and benefit amounts under Federal programs such as veterans pensions, supplemental security income, AFDC, and food stamps. My bill would change the law so that disabled veterans and their family members who receive Federal assistance benefits would not lose their benefits or have them reduced by reason of receiving these very modest agent orange settlement payments.

Mr. President, it seems to me but a small gesture for the Nation to make on behalf of the most vulnerable among our honorable Vietnam veterans. ●

By Mr. MELCHER:

S. 2671. A bill to amend title XVIII of the Social Security Act to provide grants to States for long-term care assistance programs, and for other purposes; to the Committee on Finance.

HELPING EXPAND ACCESS TO LONG-TERM HEALTH CARE ACT

● Mr. MELCHER. Mr. President, I rise today to offer legislation that will greatly expand the Medicare Program to provide needed long-term care services for elderly and disabled Americans. My bill, the Helping Expand Access to Long-Term Health Care Act (the HEALTH Care Act), provides a range of home and adult day health services to chronically ill Medicare beneficiaries. The HEALTH Care Act is an important step toward building a comprehensive, affordable long-term

care program for chronically ill Americans of all ages.

As we are all keenly aware, many chronically ill older Americans find they have very limited access to needed long-term care services outside of nursing homes or other institutional settings. Either those services are not available in their communities, or, because of their high cost, they are not affordable for many Medicare-eligible persons. However, we do not need polling data to tell us that the elderly prefer to be cared for in their homes and communities. This Nation's citizens have always placed a premium on independence, so it is not surprising that they continually stress the importance of alternatives to nursing homes and other types institutional care.

Unfortunately, Federal support of home- and community-based services is almost nonexistent. What little is available tends to be very fragmented and poorly coordinated, coming from a variety of funding sources and administrative agencies. Further, certain States are very active in the provision of home- and community-based services, while others are not. The Medicare Program is designed to cover the health care costs of acute, short-term illness, so it offers little or no protection against the costs of chronic, long-term illness.

The responsibility for administering and providing the limited long-term care services we now have falls almost entirely on the shoulders of the States. For example, the State-administered Medicaid Program provides the bulk of publicly funded long-term care services through its nursing home coverage and 2176 home- and community-based care waivers. Other State-run long-term care programs include Supplemental Security Income, Social Services Block Grant and the Older Americans Act.

My bill takes advantage of States' expertise and experience in designing and managing long-term care programs. The Federal Government would cover the costs of the new program, but leave its administration to the individual State. States would be given a general framework under which to design their programs with a specified minimum level of services. This approach gives the States the flexibility to tailor the expanded benefits program to fit the unique needs of their Medicare populations and to utilize any home care or adult day care programs they may already have. A case management system would be in place to ensure that beneficiaries are receiving appropriate levels of care. The administrative approach behind my bill can be easily expanded to cover the costs of long-term nursing home costs once the Congress develops an acceptable financing mechanism.

My bill would create a new "Part C" of Medicare, and would be available to

all those eligible for Medicare. Eligible beneficiaries would be those who are chronically ill and functionally impaired. In other words, those needing assistance with two or more activities of daily living such as eating, bathing, or dressing. Those who are cognitively impaired—persons with Alzheimer's or Parkinson's disease or other neurological disorders—would also be eligible.

The HEALTH Care Act would be financed through a combination of copayments and the elimination of the \$45,000 cap on wages subject to the Medicare payroll tax. Revenue collected by the elimination of the payroll tax cap would be placed into the federal long-term care assistance trust fund. The home care benefit would be subject to a \$5-per-service copayment. To ensure appropriations of care, the maximum cost of home care services rendered in a calendar year would be equal to 65 percent of the average annual cost of services furnished by a skilled nursing facility in the State. The adult day care benefit would provide coverage for a maximum of 125 days per year with a \$5-per-service copayment. For both the home care and adult day health care, those whose incomes are equal to or less than 200 percent of the poverty line would be liable for no copayments. Under the respite care benefit, those persons living with an unpaid caregiver who need assistance with one or more activities of daily living would be eligible for services up to \$2,000 per year, with a 25-percent copayment.

The new program would be financed through a Federal-State match, similar to Medicaid. The Secretary of the Department of Health and Human Services would determine how much it would cost to provide the new program on a State-by-State basis. Each State would be required to maintain its current level of expenditures on noninstitutional long-term care for the Medicare-eligible population, and the Federal Government would pay for the rest.

States currently active in the provision of these services to their Medicare-eligible populations would be recognized under this formula. No State would have to finance more than 25 percent of cost of the new long-term care program. For example, if the new long-term care Federal-State formula determined that a particular State would have to finance more than 40 percent of program costs, that State would have to contribute only 25 percent of costs, and the Federal Government would pick up the rest. The money that the State saved would then be spent on expanding other health care services to medically underserved populations, including maternal and child health programs, as well as the elderly. Conversely, if a State is currently spending little or no

funds on noninstitutional long-term care services and the formula determines that the State would contribute less than 5 percent of program costs, the State would be required to finance at least 5 percent of the costs of the new program.

If the State could provide the mandated benefits that met quality requirements, it could keep the excess revenue to either expand its benefits or reduce its costs. If the State spent more than was allocated to meet minimum requirements, the State would be required to raise its percentage contribution to 50 percent of the program costs which exceeded the projected costs of the new benefit for the following year. This would provide a further incentive for the States to control costs.

This legislation also contains several provisions relating to quality assurance. It would extend the quality assurance mechanisms already in place for Medicare-certified home health agencies that were included in the Omnibus Budget Reconciliation Act of 1987. If the Federal Government determines that a State's program is not in compliance with quality and minimum service level standards, the State's percentage contribution of program costs would be increased. Further, this legislation recognizes that the rapid expansion of home and community-based services that would result with its implementation could prove overly burdensome to some States. For this reason, Federal standards for providing minimum benefits would not be as strongly enforced in the early years of implementation. However, the quality standards would be strictly enforced in all situations.

Although the Congressional Budget Office has not yet determined the cost of this new benefit, rough estimates by the Aging Committee indicate that its costs would be similar to, and possibly less than, the CBO estimated 5-year \$25 billion price tag of the Pepper/Roybal long-term care legislation. The revenue generated by the elimination of the payroll tax cap under that legislation would have generated \$30.6 billion over the 5-year period, 1988-92.

I believe this legislation achieves several significant goals. First, it provides vitally needed services to our frail elderly and disabled populations. It includes a financing and administrative mechanism that gives States the incentive to provide those services and control costs. The HEALTH Care Act also requires that the program be financed by all generations—Medicare beneficiaries through copayments and the working population through a payroll tax. Finally, it endeavors to combine the current administrative and financing patchwork of long-term care services into one funding source

under the jurisdiction of a single State agency.

Those on the State and local levels—State human service and Medicaid departments, and State and area agencies on aging to name but a few—have developed a body of knowledge that we at the Federal level cannot match. By relying on their expertise and experience, we can better ensure that our Nation's elderly and disabled get the quality home- and community-based care they deserve. Area agencies on aging, for example, would likely be called upon to utilize their case management abilities.

While this legislation is an incremental step toward providing comprehensive long-term care coverage, we still have a long way to go. Americans of all ages need access to affordable long-term care, including nursing home care. Twenty States' Medicaid programs lack a medically needy program for nursing home care for the elderly. Low-income elderly need greater protection against high out-of-pocket health care costs. However, the HEALTH Care Act provides a solid starting point.

I look forward to working with the various States and aging advocacy organizations to refine and perfect this legislation. A number of these organizations have written letters of commendation and support for this initiative. These include letters from the American Association of Retired Persons, the National Council of Senior Citizens, the Villers Foundation, the National Association for Home Care, the National Association of State Units on Aging and the National Council on the Aging. I ask unanimous consent that these letters be included in the RECORD after my statement. I urge my colleagues to join me in cosponsoring this legislation that will help millions of chronically ill Medicare beneficiaries.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION OF
RETIRED PERSONS,

Washington, DC, July 29, 1988.

HON. JOHN MELCHER,
Chairman, Special Committee on Aging,
U.S. Senate, Washington, DC.

DEAR SENATOR MELCHER: On behalf of the American Association of Retired Persons (AARP) I want to take this opportunity to commend and thank you for your leadership in introducing your home care bill. Expanding Medicare coverage for a range of home and community-based services is an essential first step toward addressing the critical needs of elderly and disabled Americans in an effort to improve the equality of life for these vulnerable populations. The Association also appreciates the effort you and your staff have made to involve us in the development of your bill.

As you know, we remain committed to expanding Medicare coverage for nursing home services, as well as addressing the long-term care needs of younger persons not

currently covered under the Medicare program.

AARP is pleased that your proposal recognizes the critical role that states must play in administering any long-term care program. We also appreciate your continuing efforts to improve coverage for adult day care services. We look forward to continuing to work with you and your staff to develop meaningful and responsible federal policy which will provide long-term care to our nation's frail individuals.

Sincerely,

HORACE B. DEETS.

NATIONAL COUNCIL OF SENIOR CITIZENS,
Washington, DC, July 28, 1988.

HON. JOHN MELCHER,
Hart Senate Office Building, U.S. Senate,
Washington, DC.

DEAR JOHN: It gives me great pleasure to send you this letter regarding your Medicare long-term home care bill, the Helping Expand Access to Long-Term Care Act (the HEALTH Care Act.)

The need for long-term care protection can no longer be ignored. Americans of all ages are suffering under the weight of the cost of long-term care services, in both financial and emotional terms. Your concern for the welfare and protection of Americans in need, as well as your instincts for finding creative solutions to difficult problems, is evidenced in introduction of your HEALTH Care Act.

Your bill, which will provide needed home care, adult day care, and respite care immediately, and which eventually will be expanded to include long-term nursing home care, will help begin a serious dialogue on how the long-term care problem should best be addressed. You are completely right in recognizing that we need to be creative and not bound by current structures in designing a long-term care program. Further, you recognize the need to make long-term care services affordable to all Americans, including those with low incomes. And you give high priority to providing the kind of care Americans prefer most—home care.

We look forward to working with you to develop ways to address the long-term care needs of children and the disabled non-elderly, and to address the critical problem of long-term nursing home care. We appreciate your leadership and commitment to solving the problems of needy Americans and the opportunity to comment on your bill.

Sincerely,

JACOB CLAYMAN,
President.

THE VILLERS ADVOCACY ASSOCIATES,
Washington, DC, July 29, 1988.

HON. JOHN MELCHER,
Chairman, Special Committee on Aging,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Your efforts to address the long-term care needs of older Americans through the introduction of the HEALTH Care Act are to be commended. It would help millions of older Americans who suffer from chronic conditions that limit their ability to function on their own.

Most of the help needed is nonmedical, yet the cost is staggering. Nursing home costs are the largest burden, averaging about \$25,000 a year. But home care costs can be almost as devastating. More than half of all elders living alone would impoverish themselves after only three months of five-day-a-week home care.

While it is true that no long-term care solution can be truly complete without even-

tually dealing with the cost of nursing home care, your bill represents an important and thoughtful beginning to the crafting of such a solution. We are impressed with several aspects of your bill:

The broad range of home- and community-based benefits to be included in the program;

The social insurance nature of the program, with participation defined broadly; and

The emphasis on state administration, which draws on the experience and expertise of the entities that have been in charge of delivering most of the formal long-term care in this country.

We are particularly pleased with your decision to protect from cost-sharing those with incomes under 200 percent of the poverty line. For this group, even the modest copayments specified could become an intolerable burden. If a person has a budget of \$210 a week or less, as these individuals do, there is no slack in the budget to pay a new fee. In fact, the 200 percent line is the approximate level at which people in some states now qualify for home- and community-based services under a Medicaid waiver program, with no copayment. To impose such payments on that group for the first time would be indefensible.

We look forward to working with you for the rest of this year, and during the 101st Congress, to sharpen the questions, advance the debate, and begin to refine the solutions needed to address the complex and costly problem of long term care. Your commitment to these priority tasks, in part evidenced by your introduction of the Health Care Act, is greatly appreciated.

Thank you again for your leadership.

Sincerely,

EDWARD F. HOWARD,
Public Policy Coordinator.

NATIONAL ASSOCIATION FOR HOME CARE,
Washington, DC, July 28, 1988.

HON. JOHN MELCHER,
Chairman, Senate Special Committee on Aging, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The National Association for Home Care is the nation's largest professional organization representing the interests of nearly 6,000 home care provider organizations, homemaker-home health aide organizations and hospices. On behalf of our member organizations and the millions of Medicare beneficiaries they serve, we would like to commend you on the introduction of your long-term home care bill.

The fundamental health care need of elderly Americans is coverage of costly care needed for chronic conditions. Currently, 80 percent of the cost of all catastrophic conditions. Currently, 80 percent of the cost of all catastrophic illnesses relates to long-term care and there is very little in the way of help from the Federal government. The cost of a long-term illness is enough to bankrupt even the wealthiest Americans. Your bill would go a long way in helping the elderly and their families.

We particularly applaud your focus on home care. Home care keeps families together. There is no more important social value than the support for solidarity of the American family. Home care is preferred by Americans over nursing home care by a margin of 80 percent; the elderly prefer it by a margin of better than 90 percent. Home care serves to keep the elderly independent. It prevents or postpones the need for institutionalization. Home care improves

the quality of life. And, home care is usually more cost-effective.

We are eager to work with you and your staff in further refining this bill and in ensuring that meaningful long-term care legislation is enacted. We commend you for your leadership in this area and for your continuing concern for the nation's elderly.

Sincerely,

VAL J. HALAMANDARIS,
President.

NATIONAL ASSOCIATION OF
STATE UNITS ON AGING,
Washington, DC, July 29, 1988.

HON. JOHN MELCHER,
Chairman, Senate Special Committee on Aging, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR MELCHER: The National Association of State Units on Aging strongly applauds your introduction of the Health Care Act of 1988. Meeting the long term care needs of a rapidly aging population is one of the greatest challenges facing the nation. Our current approach which relies primarily on care in institutions and which impoverishes older people and their families, fails to provide care in the setting most preferred by older consumers—in their own homes. Your legislative initiative addresses this challenge and is directly responsive to the preferences of older Americans.

As articulated in NASUA's recently adopted federal long term care reform proposal, we believe that there are certain principles that must undergird any federal initiative in this area. We are very pleased that your bill reflects many of these important considerations, including:

Investing the first federal dollar of a new long term care program in home and community services to overcome the bias in current federal financing mechanisms toward institutional care,

Basing eligibility for benefits on limitations in functional capacity rather than medical diagnosis or physician prescription,

Giving case management agencies, rather than service providers responsibility for determining the amount and type of services that will be authorized for individual care plans to avoid any financial conflict of interest,

Assigning state government program management responsibilities to build upon long term care systems development work already underway, and

Protecting the out of pocket expenditures of low income consumers.

We look forward to working with you in the months ahead in this critical policy arena. Once again, thank you for your leadership in this critical issue.

Sincerely,

DANIEL A. QUIRK,
Executive Director.

THE NATIONAL COUNCIL
ON THE AGING, INC.,
Washington, DC, July 29, 1988.

HON. JOHN MELCHER,
Chairman, Special Committee on Aging, U.S. Senate, Washington, DC.

DEAR SENATOR MELCHER: Thank you for the opportunity to review your legislation, "Helping Expand Access to Long-Term Care Act of 1988." The National Council on the Aging agrees with you that the creation of a long-term benefit under Medicare must be a top Congressional priority. We also agree that the Health Care Act can be an important step toward building a comprehensive

and affordable program of long-term care for chronically-ill Americans of all ages.

NCOA supports provisions of the Health Care Act creating case management systems separate from providers under the proposed service program. We also support your intention to utilize the experience of state and community programs already providing services under Medicaid and other authorities.

The basic social insurance financing of the bill—through lifting the \$45,000 cap on wages subject to the Medicare payroll tax—is the appropriate financing mechanism. The co-payment charge of \$5.00 per service, with protection for persons below 200 percent poverty, appears to be a reasonable standard.

Finally, we are gratified that the proposed Health Care Act would provide up to 125 days per year of adult day care services as a regular long-term care benefit under Medicare.

NCOA supports the introduction of your legislation and is prepared to work with you, your staff, and cosponsors in the further development and design of the bill. We are anxious to share with you our further comments on the Health Care Act at an early hearing.

Sincerely,

DONALD REILLY,
Senior Vice President.

By Mr. SANFORD:

S. 2672. A bill to provide Federal recognition for the Lumbee Tribe of North Carolina; to the Select Committee on Indian Affairs.

LUMBEE RECOGNITION ACT

Mr. SANFORD. Mr. President, 100 years ago the tribal leaders in southeastern North Carolina asked Congress to formally acknowledge their special heritage as native Americans. On this, the centennial of that first request, it is with great enthusiasm that I am introducing the Lumbee Recognition Act which will extend Federal recognition to the Lumbee Indians.

Last December, the Lumbee Indians came to Washington and filed a fully documented petition for Federal acknowledgement with the Bureau of Indian Affairs. However, I feel it necessary to circumvent the usual recognition process for several reasons:

First, due to the backlog of petitions at BIA, recognition of the Lumbee petition could be up to 10 years away. Such a delay makes it unlikely that tribal members whose expertise was so vital to the completion of the petition will be available for consultation when the BIA begins its consideration;

Second, the extraordinary administrative burden and cost, estimated at \$150,000, of processing the Lumbee petition can be avoided; and

Third, the strong possibility that the Lumbee Tribe may fall outside the scope of the administrative process due to the 1956 Lumbee Act.

In drafting this legislation, I have kept in mind both budgetary restraints and the immediate needs of other federally recognized tribes. The Lumbee Recognition Act appropriates

no new money and states that the Lumbee Indians will receive BIA services only after Congress has appropriated the necessary funds.

In closing, Mr. President, I would like to give special recognition to Congressman CHARLIE ROSE of North Carolina, who has introduced this legislation in the U.S. House of Representatives and to Mrs. Arlinda Locklear, attorney for the Lumbee Tribe, for their contributions to this very important bill. I call on my colleagues to support this effort to extend to the Lumbee Indians the status they deserve as a federally recognized tribe.

ADDITIONAL COSPONSORS

S. 10

At the request of Mr. CRANSTON, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 10, a bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

S. 402

At the request of Mr. EVANS, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 402, a bill to provide that during a 2-year period each item of any joint resolution making continuing appropriations that is agreed to by both Houses of the Congress in the same form shall be enrolled as a separate joint resolution for presentation to the President.

S. 570

At the request of Mr. BAUCUS, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 570, a bill to reduce atmospheric pollution to protect the stratosphere from ozone depletion, and for other purposes.

S. 571

At the request of Mr. BAUCUS, the name of the Senator from Maryland [Ms. MIKULSKI] was added as cosponsor of S. 571, a bill to reduce atmospheric pollution to protect the stratosphere from ozone depletion, and for other purposes.

S. 702

At the request of Mr. SIMON, the name of the Senator from Massachusetts [Mr. KERRY] was added as cosponsor of S. 702, a bill to provide for the collection of data about crimes motivated by racial, religious, or ethnic hatred.

S. 1742

At the request of Mr. DOMENICI, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 1742, a bill to provide for the minting and circulation of \$1 coins, and for other purposes.

S. 1966

At the request of Mr. CHILES, the name of the Senator from Utah [Mr.

HATCH] was added as a cosponsor of S. 1966, a bill to amend the Public Health Service Act to improve information and research on biotechnology and the human genome, and for other purposes.

S. 2011

At the request of Mr. CRANSTON, the name of the Senator from Rhode Island [Mr. PELL] was added as cosponsor of S. 2011, a bill to increase the rate of Veterans' Administration compensation for veterans with service-connected disabilities and dependency and indemnity compensation for the survivors of certain disabled veterans.

S. 2061

At the request of Mr. CRANSTON, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 2061, a bill to establish national standards for voter registration for elections for Federal office, and for other purposes.

S. 2179

At the request of Mr. FORD, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2179, a bill to amend the Petroleum Marketing Practices Act.

S. 2199

At the request of Mr. CHAFEE, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2199, a bill to amend the Land and Water Conservation Act and the National Historic Preservation Act, to establish the American Heritage Trust, for purposes of enhancing the protection of the Nation's natural, historical, cultural, and recreational heritage, and for other purposes.

S. 2351

At the request of Mr. DOMENICI, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 2351, a bill to amend Internal Revenue Code of 1986 to repeal the capitalization rules for freelance writers, artists, and photographers.

S. 2450

At the request of Mr. CHILES, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of S. 2450, a bill to provide Federal financial assistance to facilitate the establishment of volunteer programs in American schools.

S. 2469

At the request of Mr. HEINZ, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2469, a bill to amend chapters 83 and 84 of title 5, United States Code, to expedite the processing of retirement applications of Federal employees, and for other purposes.

S. 2626

At the request of Mr. MOYNIHAN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 2626, a bill to amend section 530 of the Revenue Act of 1978 to

clarify the Federal income and employment tax treatment of providers of technical services through third party arrangements, and for other purposes.

S. 2642

At the request of Mr. PELL, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 2642, a bill to amend the Elementary and Secondary Education Act of 1965 to provide for national geography studies centers.

SENATE JOINT RESOLUTION 149

At the request of Mr. HELMS, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of Senate Joint Resolution 149, a joint resolution to designate the period commencing on June 21, 1989, and ending on June 28, 1989, as "Food Science and Technology Week."

SENATE JOINT RESOLUTION 280

At the request of Mr. HATCH, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of Senate Joint Resolution 280, a joint resolution to designate the week of November 27, 1988 through December 3, 1988 as "National Home Care Week."

SENATE JOINT RESOLUTION 328

At the request of Mr. WEICKER, the names of the Senator from California [Mr. CRANSTON], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Joint Resolution 328, a joint resolution to designate the day of September 14, 1988, as "National Medical Research Day."

SENATE JOINT RESOLUTION 346

At the request of Mr. LAUTENBERG, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 346, a joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

SENATE JOINT RESOLUTION 347

At the request of Mr. KENNEDY, the names of the Senator from Maine [Mr. MITCHELL] and the Senator from Arkansas [Mr. BUMBERS] were added as cosponsors of Senate Joint Resolution 347, a joint resolution in support of the restoration of a free and independent Cambodia and the protection of the Cambodian people from a return to power by the genocidal Khmer Rouge.

SENATE JOINT RESOLUTION 350

At the request of Mr. SIMON, the names of the Senator from Nebraska [Mr. EXON], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Ohio [Mr. GLENN], the Senator from Connecticut [Mr. DOBBS], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Cali-

fornia [Mr. WILSON], the Senator from South Carolina [Mr. THURMOND], the Senator from Arizona [Mr. DECONCINI], and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of Senate Joint Resolution 350, a joint resolution designating Labor Day Weekend, September 3-5, 1988, as "National Drive for Life Weekend."

SENATE CONCURRENT RESOLUTION 103

At the request of Mr. DECONCINI, the names of the Senator from Idaho [Mr. McCURE] and the Senator from Rhode Island [Mr. CHAFFEE] were added as cosponsors of Senate Concurrent Resolution 103, a concurrent resolution expressing the sense of the Congress that the President should award the Presidential Medal of Freedom to Charles E. Thornton, Lee Shapiro, and Jim Lindelof, citizens of the United States who were killed in Afghanistan.

SENATE RESOLUTION 454—RELATING THE PROCUREMENT OF CONSULTANTS BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BURDICK (for himself and Mr. STAFFORD) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 454

Resolved, That section 10(b)(1) of Senate Resolution 381, of the 100th Congress, agreed to February 26, 1988, is amended by striking "\$8,000.00" and inserting in lieu thereof "\$11,000.00", and by reducing administrative expenses from \$147,412.00 to \$144,412.00 as disclosed in Senate Report 100-287.

AMENDMENTS SUBMITTED

RURAL DEVELOPMENT, AGRICULTURE, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1989

BINGAMAN AMENDMENT NO. 2754

Mr. BINGAMAN proposed an amendment to the bill (H.R. 4784) making appropriations for Rural Development, Agriculture, and related agencies programs for the fiscal year ending September 30, 1989, and for other purposes; as follows:

On page 15, line 2, insert " , of which \$2,000,000 shall be used for research concerning human nutrition" after "expenses".

METZENBAUM (AND OTHERS) AMENDMENT NO. 2755

Mr. METZENBAUM (for himself, Mrs. KASSEBAUM, and Mr. HATCH) proposed an amendment, which was subsequently modified, to the bill (H.R. 4784), supra; as follows:

On page 69, between lines 8 and 9, insert the following:

For purposes of making grants and entering into contracts for the development of drugs for rare diseases and conditions under section 5 of the Orphan Drug Act (21 U.S.C. 360ee), \$3,000,000 shall be made available, in addition to any other funds made available under this Act, to be derived by transfer of \$1,000,000 of funds made available by this Act to the Commodity Futures Trading Commission to carry out the Commodity Exchange Act (7 U.S.C. 1 et seq.), and \$2,000,000 made available by this Act to the Food and Drug Administration.

HATCH (AND OTHERS) AMENDMENT NO. 2756

Mr. HATCH (for himself, Mr. KENNEDY, Mr. INOUE, Mr. CRANSTON, and Mr. WILSON) proposed an amendment to the bill (H.R. 4784), supra; as follows:

At the end of the bill insert the following: It is the sense of the Senate that of the amounts made available to the Office of the Assistant Secretary for Health by the matter under title II of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1989, \$5,500,000 shall be made available to the Food and Drug Administration for increased inspection of our Nation's blood banks.

STEVENS AMENDMENT NO. 2757

Mr. STEVENS proposed an amendment to the bill (H.R. 4784), supra; as follows:

At the appropriate place, insert: Notwithstanding any other provisions of law, the Secretary of Agriculture is directed to convey by quitclaim deed and without consideration to the University of Alaska all the right, title, and interest of the United States in and to—

(1) the lands of the University of Alaska Agricultural Experiment Station, consisting of approximately 16 acres, including improvements thereon, located at Palmer and Matanuska, Alaska, all of which have been utilized for university purposes since October 3, 1967, and

(2) the lands of the University of Alaska Fur Farm Experiment Station, consisting of approximately 37 acres, including improvements thereon, located at Petersburg, Alaska, all of which have been utilized for university purposes since May 17, 1938.

STEVENS AMENDMENT NO. 2758

Mr. STEVENS proposed an amendment to the bill (H.R. 4784), supra; as follows:

At the appropriate place, insert:

GENERAL PROVISIONS

SEC. . When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments, shall clearly state (1) the percentage of the total cost of the program or project which will be financed with Federal money, and (2) the dollar amount of Federal funds for the project or program.

DECONCINI (AND OTHERS) AMENDMENT NO. 2759

Mr. DECONCINI (for himself, Mr. CHAFFEE, Mr. BRADLEY, Mr. BUMPERS, Mr. COHEN, Mr. CONRAD, Mr. DANFORTH, Mr. DASCHLE, Mr. MCCAIN, Mr. DODD, Mr. HEINZ, Mr. HOLLINGS, Mr. JOHNSTON, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. RIEGLE, Mr. SASSER, Mr. SHELBY, Mr. SIMON, Mr. SPECTER, Mr. STAFFORD, Mr. WEICKER, Mr. D'AMATO, and Mr. CHILES) proposed an amendment to the bill (H.R. 4784), supra; as follows:

At the appropriate place, insert the following new section:

SEC. . (a) There is appropriated \$30,825,000 for necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), to remain available through September 30, 1990.

(b) Notwithstanding any other provision of this Act, in addition to the reduction required under section 643, each appropriation item made available under this Act shall be reduced by .7 percent of the original item, rounded to the nearest thousands of dollars, except for programs scored as mandatory during fiscal year 1989 and amounts made available for Public Law 480, the Farmers' Home Administration, the Rural Electrification Administration, the conservation reserve program, the commodity supplemental food program, and the supplemental food program for women, infants, and children.

(c) Section 643 shall not apply to the amount made available by subsection (a).

BURDICK AMENDMENT NO. 2760

Mr. BURDICK proposed an amendment to amendment No. 2759 proposed by Mr. DECONCINI (and others) to the bill (H.R. 4784), supra; as follows:

Following the matter proposed, insert:

(d) Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended—

(1) in paragraph (1)—
(A) by striking out "and" at the end of clause (viii);

(B) by striking out the period at the end of clause (ix) and inserting in lieu thereof "and"; and

(C) by adding at the end thereof the following new clause:

"(x) a description of the feasibility and types of cost containment procedures described in section 3 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) (including infant formula rebates) implemented to acquire infant formula, and other foods that are necessary to carry out this section."; and

(2) by adding at the end thereof the following new paragraph:

"(17) A State agency shall examine the feasibility of implementing the procedures referred to in paragraph (1)(x). If the State agency determines that such a procedure would lower costs and enable more eligible persons to be served (without interference with the delivery of nutritious foods to recipients), the State agency shall implement such procedure."

BUMPERS (AND OTHERS) AMENDMENT NO. 2761

Mr. BUMPERS (for himself, Mr. PRYOR, Mrs. KASSEBAUM, Mr. McCONNELL, and Mr. EXON) proposed an amendment to the bill (H.R. 4784), supra; as follows:

At the appropriate place in the bill, add the following:

Sec. —. Section 6.29 of the Farm Credit Act of 1971 (12 U.S.C. 2278b-9) is amended by—

(1) in subsection (a)(1), striking out "Except as provided in paragraph (2)," and inserting in lieu thereof "Except as provided in paragraphs (2) and (3).";

(2) adding at the end of subsection (a) the following new paragraph:

"(3) PERIODIC PURCHASES.—(A) Notwithstanding any other provision of this section, the Financial Assistance Corporation shall establish a program under which System institutions shall purchase, as debt obligations are issued under section 6.26(a), stock of the Corporation in amounts described in this paragraph.

"(B) The program shall provide, with respect to each issuance of debt obligations under section 6.26(a), that each System institution originally required to purchase stock under paragraph (1), or the successor thereto, shall purchase Corporation stock in an amount determined by multiplying the amount of stock such institution was originally required to purchase under that paragraph by a percentage equal to the percentage which the amount of the issuance bears to \$4,000,000,000.

"(C) The Financial Assistance Corporation shall promptly rescind purchases of stock of the Corporation made under paragraph (1) or (2) by System institutions and refund to such institutions, or their successors, the purchase price for the stock, except that, with respect to each issuance of debt obligations that occurs before October 1, 1988, the Corporation shall deduct from any refund due any System institution, and retain, the amount payable by such institution."

(3) in subsection (c)—

(a) striking out "Within" and inserting in lieu thereof "(1) Within";

(b) striking out "(1) the" and inserting in lieu thereof "(A) the"; and

(c) striking out "(2) in the case" and inserting in lieu thereof "(B) in the case"; and

(4) adding at the end thereof the following new paragraph:

"(2) Not later than 15 days before each issuance of debt obligations under section 6.26(a) occurring after September 30, 1988, the Financial Assistance Corporation shall notify each System institution required to purchase Corporation stock under subsection (a)(3) of the amount of the stock it is required to purchase."

COHEN (AND OTHERS) AMENDMENT NO. 2762

Mr. COHEN (for himself, Mr. DOLE, and Mr. McCAIN) proposed an amendment to the bill (H.R. 4784), supra; as follows:

At the appropriate place, insert the following new section:

Sec. —. Not later than January 1, 1989, the Secretary of Agriculture shall issue interim final regulations that shall improve the performance of State agencies in managing vendors participating in the special

supplemental program authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786). None of the funds made available by this Act may be used to carry out such special supplemental program in States that are not in compliance with such regulations. The regulations promulgated by the Secretary shall—

(1) develop techniques and criteria to identify vendors at high risk for abusing such program, and require State agencies to use such techniques and criteria to identify high risk vendors;

(2) require State agencies to perform compliance activities, including compliance purchases periodically for all vendors identified at high risk, and for a random sample of other vendors, to determine whether the vendors are overcharging such program or violating other requirements of such program;

(3) develop and require State agencies to apply specific sanctions for vendors found to be violating such program requirements, including mandatory disqualification or termination for serious abuses such as systematically overcharging such program; and

(4) establish a standardized appeal process to be used by State agencies as part of the process of disqualifying vendors from participation in such program.

EXON (AND OTHERS) AMENDMENT NO. 2763

Mr. EXON (for himself, Mr. McCLURE, Mr. BREAUX, and Mr. KARNES) proposed an amendment to the bill (H.R. 4784), supra; as follows:

At the appropriate place in the bill insert the following:

Sec. —. None of the funds made available in the this act or any other act shall be used to implement the sugar quota increase announced by the Secretary of Agriculture and the United States Trade Representative on July 22, 1988, until the Secretary certifies to the Senate Committee on Agriculture, Nutrition and Forestry and the House Committee on Agriculture, based on the August 12, 1988, Crop Report or subsequent reports, that such action will not result in forfeiture of domestically produced sugar to the Commodity Credit Corporation.

KARNES (AND OTHERS) AMENDMENT NO. 2764

Mr. KARNES (for himself, Mr. DOLE, Mr. WALLOP, and Mr. SIMPSON) proposed an amendment to the bill (H.R. 4784), supra; as follows:

On page 16, line 1, after "3292", insert the following: "Provided, That the Secretary of Agriculture shall provide \$2,500,000 to the Mid America World Trade Center, using funds appropriated for fiscal year 1988, to enhance the exportation of agricultural and related products and other manufactured products, to remain available until expended."

At the appropriate place, insert the following new section:

Sec. —. Section 1458A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292) is amended—

(1) by amending the section heading to read as follows: "grants to states and regional organizations for trade centers";

(2) in the first sentence of subsection (a)—

(A) by inserting "and accredited, private sector world trade centers organized on a multi-State regional basis" after "States";

(B) by inserting "and such regional trade centers" after "international trade development centers" both places it appears; and

(C) in the first sentence of subsection (a), by inserting before the period the following: "and other products produced or manufactured in a region";

(3) in the second sentence of subsection (a), by striking out "State" and all that follows through "government)" and inserting in lieu thereof "non-Federal funding"; and

(4) in subsection (b)—

(A) by inserting "and regional trade centers described in subsection (a)" after "States"; and

(B) by inserting "and regional trade centers described in subsection (a)" after "international trade development centers".

BOND (AND BOSCHWITZ) AMENDMENT NO. 2765

Mr. BOND (for himself and Mr. BOSCHWITZ) proposed an amendment to the bill (H.R. 4784), supra; as follows:

On page 13, line 23, strike out the period and insert in lieu thereof a colon and the following: "Provided further, That no funds shall be appropriated for the planning and construction of new projects, as determined by the Secretary of Agriculture, for which no feasibility study has been completed: Provided further, That of the amounts made available under this heading, \$3,450,000 shall be made available for higher education grants under section 1417(a) of Public Law 95-113, as amended (7 U.S.C. 3152(a))."

LEAHY (AND OTHERS) AMENDMENT NO. 2766

Mr. LEAHY (for himself, Mr. LUGAR, and Mr. CHILES) proposed an amendment to the bill (H.R. 4784), supra; as follows:

On page 57, on line 16, strike "\$4,573,816,000," and insert in lieu thereof "\$4,590,816,000," and, on line 18, strike "\$480,544,000" and insert in lieu thereof "\$497,544,000."

On page 60, on line 15, strike "\$13,412,955,000;" and insert in lieu thereof "\$13,598,955,000;"

On page 61, after line 17, insert a new paragraph to read as follows:

"For necessary expenses to carry out section 110 of the Hunger Prevention Act of 1988 (S. 2560), \$40,000,000."

On page 61, after line 24, insert a new paragraph to read as follows:

"For purchases of commodities to carry out the Temporary Emergency Food Assistance Act of 1983, as amended by section 104 of the Hunger Prevention Act of 1988, \$145,000,000."

MELCHER AMENDMENT NO. 2767

Mr. MELCHER proposed an amendment to the bill (H.R. 4784), supra; as follows:

On page 12, line 6, after the colon insert the following: "Provided further, Of the funds made available in this Act for the Agriculture Research Service, \$50,000 is provided for a feasibility study of a plant growth center at Montana State University."

**BOREN (AND NICKLES)
AMENDMENT NO. 2768**

Mr. BOREN (for himself and Mr. NICKLES) proposed an amendment to the bill (H.R. 4784), supra; as follows:

On page 48, in line 10, strike the period and insert in lieu thereof the following:

"*Provided further*, That \$500,000 shall be available for the University of Oklahoma to refine and extend a program for integrating data from multiple satellite systems for the purpose of establishing a system of providing continuous, timely, and accurate assessments of the extent and impact of drought and other weather related conditions within the United States."

HEFLIN AMENDMENT NO. 2769

Mr. HEFLIN proposed an amendment to the bill (H.R. 4784), supra; as follows:

On page 12, line 19, insert before the period

"*Provided further*, That the Secretary of Agriculture shall make available \$300,000 to Auburn University to enable such university to develop water management research planning and programming in connection with section 322 of the Drought Assistance Act of 1988, for the purpose of alleviating the effect of the adverse weather conditions."

**DOLE (AND KASSEBAUM)
AMENDMENT NO. 2770**

Mr. COCHRAN (for Mr. DOLE, for himself and Mrs. KASSEBAUM) proposed an amendment, which was subsequently modified by unanimous consent, to the bill (H.R. 4784), supra; as follows:

At the appropriate place add the following:

Sec. . There is hereby transferred \$100,000 from the working capital fund within USDA to support the International Livestock Program at Kansas State University to be administered through the Cooperative State Research Service.

**MELCHER (AND McCLURE)
AMENDMENT NO. 2771**

Mr. MELCHER (for himself and Mr. McCLURE) proposed an amendment to the bill (H.R. 4784), supra; as follows:

On page 12, line 19, strike out the period and insert in lieu thereof a colon and the following: "*Provided further*, That \$3,500,000 shall be made available for payment to the Secretary of Agriculture to establish and implement a program for the research, management, and control of noxious weeds on federal lands."

**MELCHER (AND OTHERS)
AMENDMENT NO. 2772**

Mr. MELCHER (for himself and Mr. McCONNELL, and Mr. LEAHY) proposed an amendment, which was subsequently modified, to the bill (H.R. 4784), supra; as follows:

On page 12, line 19, strike out the period and insert in lieu thereof a colon and the following: "*Provided further*, That \$2,500,000 shall be made available for payment to the Israel-United States Binational

Agricultural Research and Development Fund as authorized by section 1458 of the Food and Agriculture Act of 1977, to remain available until expended.

**GRAMM (AND OTHERS)
AMENDMENT NO. 2773**

Mr. GRAMM (for himself, Mr. KASTEN, Mr. WALLOP, and Mr. GRAHAM) proposed an amendment to the bill (H.R. 4784) supra; as follows:

On page 16, line 12, by striking out the period and inserting in lieu thereof a colon and the following "*Provided*, That the earmarking concerning competitive research grants contained under the heading Cooperative State Research Service" of the Senate report accompanying H.R. 4784 (Senate Report 100-389), shall not be binding on the Cooperative State Research Service."

**LEAHY (AND OTHERS)
AMENDMENT NO. 2774**

Mr. COCHRAN (for Mr. LEAHY, for himself, Mr. HARKIN, and Mr. BUMPERS) proposed an amendment to the bill (H.R. 4784), supra; as follows:

On page 11, line 5, strike out "\$559,157,000" and insert in lieu thereof "\$551,657,000".

On page 12, line 19, before the period, insert the following: "*Provided further*, That the Secretary of Agriculture shall carry out each of the programs and activities described in the matter under the heading 'Agricultural Research Service' of the Senate report accompanying H.R. 4784 (Senate Report 100-389), in the amounts provided under such matter".

On page 14, lines 23 through 25, strike out "\$24,256,000" and all that follows through "4501" and insert thereof the following: "\$32,506,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 4501), including special research grants (in lieu of competitive research grants) of not less than \$2,000,000 for an animal science food safety consortium, \$2,500,000 for a biotechnology midwest consortium, \$2,000,000 for alternative test control, and \$1,750,000 for a biotechnology Iowa consortium".

On page 15, line 1, strike out "\$40,842,000" and insert in lieu thereof "\$41,842,000".

On page 16, line 12, strike out "\$306,170,000" and insert in lieu thereof "\$315,420,000".

KERRY AMENDMENT NO. 2775

Mr. HARKIN (for Mr. KERRY) proposed an amendment to the bill (H.R. 4784), supra; as follows:

On page 59, lines 23 and 24, strike out "\$1,927,362,000 to remain available through September 30, 1990" and insert in lieu thereof "1,929,362,000 to remain available through September 30, 1990, of which not less than \$2,000,000 shall be used to carry out the farmers' market coupon demonstration project".

On page 61, line 21 strike out "\$50,000,000" and insert in lieu thereof "\$47,280,000 provided that no State shall receive less in Temporary Emergency Food Assistance Program administrative funds than it would have received had the appropriation remained at \$50,000,000 and further provided that the Secretary of Agriculture make an assessment by May 1, 1989, as

to whether there will be sufficient funds to cover all the States' needs for administrative funds and if the Secretary determines there will be insufficient funds the Secretary shall advise where such funds can be obtained."

**COMMUNITY AND MIGRANT
HEALTH CENTERS AMENDMENTS**

KENNEDY AMENDMENT NO. 2776

Mr. BYRD (for Mr. KENNEDY) proposed an amendment to the amendment of the House to the bill (S. 2385) to amend title III of the Public Health Service Act to revise and extend the programs of assistance for primary health care and the program of health services for the homeless, and for other purposes; as follows:

In lieu of the matter proposed to be inserted by the House Amendment to S. 2385 insert the following:

SECTION 1. SHORT TITLE, REFERENCE TO ACT.

(a) **SHORT TITLE.**—This Act may be cited as the "Community and Migrant Health Centers Amendments of 1988".

(b) **REFERENCE.**—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. MIGRANT HEALTH CENTERS.

(a) **ADDITION OF PATIENT CASE MANAGEMENT SERVICES TO LIST OF PROVIDED SERVICES.**—Section 329(a)(1) (42 U.S.C. 254b(a)(1)) is amended—

(1) by striking "and" at the end of subparagraph (F) and inserting "and" at the end of subparagraph (G); and

(2) by inserting after subparagraph (G) the following new subparagraph:

"(H) patient case management services (including outreach, counseling, referral, and follow-up services)."

(b) **ADDITION OF APPROPRIATE HEALTH NEEDS TO LIST OF SUPPLEMENTAL HEALTH SERVICES.**—Section 329(a)(7) (42 U.S.C. 254b(a)(7)) is amended—

(1) by striking "and" at the end of subparagraph (K);

(2) by striking the period at the end of subparagraph (L) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(M) other services appropriate to meet the health needs of the population served by the migrant health center involved."

(c) **PROCEDURES FOR ALTERATION OF DETERMINATION OF HIGH IMPACT AREA.**—Section 329(d)(1)(A) (42 U.S.C. 254b(d)(1)(A)) is amended—

(1) by inserting "(i)" after "(A)"; and

(2) by adding at the end the following new clause:

"(ii) If the Secretary makes a determination that an area is a high impact area, the Secretary may alter the determination only after providing to the grantee under subclause (i) for the area, and to other interested entities in the area, reasonable notice with respect to such determination and a reasonable opportunity to offer information with respect to such determination."

(d) **REQUIREMENT OF FEES CONSISTENT WITH LOCALLY PREVAILING RATES.**—Section 329(f)(3)(F)(i) (42 U.S.C. 254b(f)(3)(F)(i)) is amended—

(1) by inserting after "provision of its services" the following: "consistent with locally prevailing rates or charges and"; and

(2) by inserting "has prepared" after "operation and".

(e) **AUTHORITY WITH RESPECT TO EXPANSION AND CONSTRUCTION OF CENTERS.**—

(1) Section 329 (42 U.S.C. 254b) is amended—

(A) in the second sentence of subsection (c)(1)(A), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings and construction of new buildings";

(B) in the matter after and below subsection (c)(1)(B)(iv), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings, construction of new buildings";

(C) in the matter after and below subsection (d)(1)(B)(iv), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings, construction of new buildings";

(D) in the matter after and below subsection (d)(1)(C)(iii), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings, construction of new buildings";

(E) in subsection (d)(2), by striking "acquiring and modernizing existing buildings" and inserting "acquiring, expanding, and modernizing existing buildings and constructing new buildings"; and

(F) in subsection (d)(4)(B)(ii)(III), by striking "construct and modernize" and inserting "construct, expand, and modernize".

(2) Section 329(f) (42 U.S.C. 254b(f)) is amended by adding at the end the following:

"(7) The Secretary may make a grant under subsection (c) or (d) for the construction of new buildings for a migrant health center or a migrant health program only if the Secretary determines that appropriate facilities are not available through acquiring, modernizing, or expanding existing buildings and that the entity to which the grant will be made has made reasonable efforts to secure from other sources funds, in lieu of the grant, to construct such facilities."

(f) **AMOUNT OF GRANTS FOR COSTS OF OPERATION.**—

(1) Section 329(d)(4)(A)(i) (42 U.S.C. 254b(d)(4)(A)(i)) is amended to read as follows:

"(i) State, local, and other operational funding, and".

(2) Section 329(d)(4)(B) (42 U.S.C. 254b(d)(4)(B)) is amended by striking out "may retain such an amount (equal to not less than one-half of the amount by which such sum exceeded such costs) as the center can demonstrate to the satisfaction of the Secretary will be used to enable the center" in the matter immediately following clause (ii) and inserting in lieu thereof "shall be entitled to retain the additional amount of fees, premiums, and other third party reimbursements as the center will use".

(g) **ADMINISTRATION OF PROGRAMS.**—Section 329 (42 U.S.C. 254b) is amended by adding at the end the following:

"(i) The Secretary may delegate the authority to administer the programs authorized by this section to any office within the Service, except that the authority to enter into, modify, or issue approvals with respect to grants or contracts may be delegated only

within the central office of the Health Resources and Services Administration."

(h) **AUTHORIZATION OF APPROPRIATIONS.**—Section 329(h) (42 U.S.C. 254b(h)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) For the purposes of subsections (c) through (e), there are authorized to be appropriated \$48,500,000 for fiscal year 1989 and such sums as may be necessary for fiscal years 1990 and 1991.

"(B) Of the amounts appropriated pursuant to subparagraph (A) for a fiscal year, the Secretary may obligate for grants and contracts under subsection (c)(1) not more than 2 percent, for grants under subsection (d)(1)(C) not more than 5 percent, and for contracts under subsection (e) not more than 10 percent."; and

(2) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2)(A) For the purpose of carrying out subparagraph (B), there are authorized to be appropriated \$1,500,000 for fiscal year 1989, \$2,000,000 for fiscal year 1990, and \$2,500,000 for fiscal year 1991.

"(B) The Secretary may make grants to migrant health centers to assist such centers in—

"(i) providing services for the reduction of the incidence of infant mortality; and

"(ii) developing and coordinating referral arrangements between migrant health centers and other entities for the health management of infants and pregnant women.

"(C) In making grants under subparagraph (B), the Secretary shall give priority to migrant health centers providing services in any catchment area in which there is a substantial incidence of infant mortality or in which there is a significant increase in the incidence of infant mortality."

SEC. 3. COMMUNITY HEALTH CENTERS.

(a) **ADDITION OF PATIENT CASE MANAGEMENT SERVICES TO LIST OF PROVIDED SERVICES.**—Section 330(a)(1) (42 U.S.C. 254c(a)(1)) is amended—

(1) by striking "and" at the end of paragraph (4) and inserting "and" at the end of paragraph (5); and

(2) by inserting after paragraph (5) the following new paragraph:

"(6) patient case management services (including outreach, counseling, referral, and follow-up services)."

(b) **ADDITION OF APPROPRIATE HEALTH NEEDS TO LIST OF SUPPLEMENTAL HEALTH SERVICES.**—Section 330(b)(2) (42 U.S.C. 254c(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (L);

(2) by striking the period at the end of subparagraph (M) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(N) other services appropriate to meet the health needs of the medically underserved population served by the community health center involved."

(c) **REQUIREMENT OF NOTICE AND COMMENT WITH RESPECT TO REGULATIONS ON MEDICALLY UNDERSERVED POPULATIONS.**—Section 330(b)(4) (42 U.S.C. 254c(b)(4)) is amended by inserting after and below subparagraph (B) the following:

"The Secretary may modify the criteria established in regulations issued under this paragraph only after affording public notice and an opportunity for comment on any such proposed modifications."

(d) **REQUIREMENT OF FEES CONSISTENT WITH LOCALLY PREVAILING RATES.**—Section

330(e)(3)(F)(i) (42 U.S.C. 254c(e)(3)(F)(i)) is amended—

(1) by inserting after "provision of its services" the following: "consistent with locally prevailing rates or charges and"; and

(2) by inserting "has prepared" after "operation and".

(e) **AUTHORITY WITH RESPECT TO EXPANSION AND CONSTRUCTION OF CENTERS.**—

(1) Section 330 (42 U.S.C. 254c) is amended—

(A) in the second sentence of subsection (c)(1), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings and construction of new buildings";

(B) in the matter after and below subsection (d)(1)(C)(iii), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings, construction of new buildings";

(C) in subsection (d)(2), by striking "acquiring and modernizing existing buildings" and inserting "acquiring, expanding, and modernizing existing buildings and constructing new buildings"; and

(D) in subsection (d)(4)(B)(ii)(III), by striking "construct and modernize" and inserting "construct, expand, and modernize".

(2) Section 330(e) (42 U.S.C. 254c(e)) is amended by adding at the end the following:

"(6) The Secretary may make a grant under subsection (c) or (d) for the construction of new buildings for a community health center only if the Secretary determines that appropriate facilities are not available through acquiring, modernizing, or expanding existing buildings and that the entity to which the grant will be made has made reasonable efforts to secure from other sources funds, in lieu of the grant, to construct such facilities."

(f) **AMOUNT OF GRANTS FOR COSTS OF OPERATION.**—

(1) Section 330(d)(4)(A)(i) (42 U.S.C. 254c(d)(4)(A)(i)) is amended to read as follows:

"(i) State, local, and other operational funding, and".

(2) Section 330(d)(4)(B) (42 U.S.C. 254c(d)(4)(B)) is amended by striking out "may retain such an amount (equal to not less than one-half of the amount by which such sum exceeded such costs) as the center can demonstrate to the satisfaction of the Secretary will be used to enable the center" in the matter immediately following clause (ii) and inserting in lieu thereof "shall be entitled to retain the additional amount of fees, premiums, and other third party reimbursements as the center will use".

(g) **ADMINISTRATION OF PROGRAMS.**—Section 330 (42 U.S.C. 254c) is amended by adding at the end the following:

"(j) The Secretary may delegate the authority to administer the programs authorized by this section to any office within the Service, except that the authority to enter into, modify, or issue approvals with respect to grants or contracts may be delegated only within the central office of the Health Resources and Services Administration."

(h) **AUTHORIZATION OF APPROPRIATIONS.**—Section 330(g) (42 U.S.C. 254c(g)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) For the purpose of payments under grants under this section, there are authorized to be appropriated \$440,000,000

for fiscal year 1989 and such sums as may be necessary for fiscal years 1990 and 1991.”;

(2)(A) by redesignating subparagraphs (A) and (B) of paragraph (2) as clauses (i) and (ii), respectively;

(B) by redesignating paragraph (2) as subparagraph (B);

(C) in paragraph (1)(B)(i) (as so redesignated), by striking “this section” and inserting “paragraph (1)”;

(D) in paragraph (1)(B)(ii) (as so redesignated), by striking “this section” and inserting “paragraph (1)”;

(3) by inserting after paragraph (1) the following new paragraph:

“(2)(A) For the purpose of carrying out subparagraph (B), there are authorized to be appropriated \$25,000,000 for fiscal year 1989, \$30,000,000 for fiscal year 1990, and \$35,000,000 for fiscal year 1991.

“(B) The Secretary may make grants to community health centers to assist such centers in—

“(i) providing services for the reduction of the incidence of infant mortality; and

“(ii) developing and coordinating referral arrangements between community health centers and other entities for the health management of infants and pregnant women.

“(C) In making grants under subparagraph (B), the Secretary shall give priority to community health centers providing services to any medically underserved population among which there is a substantial incidence of infant mortality or among which there is a significant increase in the incidence of infant mortality.”.

SEC. 4. REQUIREMENT WITH RESPECT TO FRONTIER AREAS.

Section 330 (42 U.S.C. 254c) is amended by adding at the end the following new subsection:

“(j) In making grants under this section, the Secretary shall give special consideration to the unique needs of frontier areas.”.

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1988, or upon the date of the enactment of this Act, whichever occurs later.

ADDITIONAL STATEMENTS

CHILDREN'S HOUSE AT THE NATIONAL INSTITUTES OF HEALTH

● **Mr. WEICKER.** Mr. President, I rise today to make note of an event of great importance that will occur this morning, Friday, July 29, on the campus of the National Institutes of Health. Today, construction will begin on the Children's Inn at NIH which will provide housing for as many as 36 families whose children are involved in research-related treatment of cancer and other diseases at NIH's Clinical Center.

The Clinical Center is a hospital clinical care facility for patients participating in biomedical research projects. Children come to the Clinical Center in search of cures for cancer, heart disease, genetic problems, and rare, difficult to diagnose or difficult to treat illnesses. Their stays may be as short as one evening and as long as 6 months.

The Children's Inn will serve as a temporary home for these seriously ill children who arrive in Bethesda, seeking care under a research protocol because they are unable to find successful treatment in their own communities. It is simply humane to provide housing to these children and their families instead of forcing them to be separated from one another and to find lodging in local hotels.

The Children's Inn is a result of a joint effort between industry, government, and private citizens. Merck & Co. has donated \$2.3 million for the construction of the facility; NIH has donated 2 acres of its campus as a site for the facility; and the funds to operate and furnish the inn are being raised by a private sector board. I want to commend the NIH, the honorary cochairmen of that private board—the Speaker of the House, JIM WRIGHT, and his wife, Betty, and Congressmen PETER RODINO and SILVIO CONTE, and Merck & Co., for making the groundbreaking that will occur this coming Friday a possibility. It is an example of the best that a joint effort between private citizens, government, and industry can bring about—peace of mind and comfort for seriously ill children and their families.●

RETIREMENT OF JACK B. HOEY

● **Mr. HEINZ.** Mr. President, I rise today to acknowledge the contributions made by Jack B. Hoey, who recently retired as president of the Peoples Natural Gas Co. in Pittsburgh, PA.

Jack Hoey retired after 39 years with Peoples Gas, the last 10 as president. During his tenure with Peoples, which began in 1949, he held executive positions in five company divisions and the Pittsburgh General Office. He was appointed general sales manager in 1968, elected vice president of marketing in 1973, and executive vice president in 1976. He also served as chairman of the board of directors for Peoples.

As president, Jack Hoey led the utility through a difficult transition period—from energy shortages, declining industrial sales, and increased government regulation to a period of abundant gas supply, new market ventures, and moderating gas prices.

His colleagues in the gas industry have recognized his leadership on numerous occasions, including electing him chairman of the American Gas Association's Industry Communications Committee and selecting him as the recipient of AGA's 1987 Marketing Executive of the Year Award.

He has been active in a number of economic development organizations in my State including the Pennsylvania Chamber of Commerce, Penn's Southwest Association, the Regional Industrial Development Corporation

of Southwestern Pennsylvania, and the Pennsylvania Economy League. As a result of his efforts and others', southwestern Pennsylvania is a better place to find a job, start a business, and raise a family.

Mr. President, Jack Hoey's achievements in his field have been outstanding. I wish him the very best in his retirement.●

JOSHUA NEILSON

● **Mr. HATCH.** Mr. President, on May 15, 1986, Joshua Neilson, a 9-year-old Scout from Enoch, UT, at great risk to his own safety, made a heroic effort to rescue a 2-year-old girl from a drainage ditch near his home. The little girl was rescued at the peril of Josh's own life. The swift moving current in the drainage ditch plus the elevation drop made the rescue extremely difficult. Josh had to run through shoulder-high sagebrush, scale two barbed wire fences, and travel nearly a half mile before he was able to straddle the ditch and pull the frightened girl from the icy water.

Since this brave rescue, a 2-year struggle has ensued to obtain recognition for the heroic effort of this young Scout. Upon learning of this incident, Josh's scoutmaster began the process to get Josh an appropriate award. Delays came in getting the necessary eyewitness statements, local cooperation, and just plain human error. Unfortunately, the application was not received in time and could not be considered.

Inquiries were made periodically, but to no avail. The promised recognition for his selfless heroic efforts seemed to have been forgotten. While he had never sought, and while rescuing Mandy obviously never considered, public recognition, having been told that his efforts would be recognized, Josh wondered, as any 9-year-old would, why the promised recognition was not forthcoming. Finally, Josh just quit asking. The message, unfortunately, appeared all too clear—if a young person does something bad, the adult world jumps on you with both feet; however, do something unselfish and heroic, and the world ignores your efforts.

In January 1988, a dynamic scout leader, Mickie Kropf, heard of the situation and the lack of recognition for Josh. Having worked with young people for many years, she knew all too well the disappointment young people feel when good efforts go unnoticed. Why? Why, she demanded, was no recognition given to this young man? Why was he not afforded at least an answer? Why was no answer given to the telephone inquiries? Why did everyone wait until Josh stopped asking about his award? Why are we sending these messages to our youth?

The questions hit a nerve at the parks council headquarters, and they too began to ask why. Research quickly uncovered the problem. The advancement committee had tabled any further action due to the delay in receiving the application. Clearly, further action should have been forthcoming, but nothing happened.

The Utah National Parks Council of the Boy Scouts of America quickly approved and inscribed a beautiful Certificate of Merit Award for Josh. This award was presented to him on February 4, 1988, at the Scouter Recognition Night for the Cedar Breaks Council. Mr. Rees A. Falkner, Scout Executive for the Utah National Parks Council, personally drove 200 miles to present the award to Josh. Mr. Falkner, in his presentation remarks to Josh, apologized for the delay and failure to immediately recognize Josh for his actions. Mr. Falkner praised Josh for his unselfish attitude and his patience in waiting such a long time for any type of recognition.

Mandy, the little girl that Josh rescued, attended the ceremony and repeated the statement she has made many times since the rescue—"When grow up, I'm going to marry Josh."

Young people like Josh are the hope of our future. Their extraordinary efforts must be recognized. We need to send them the message that the good they do is important. We need to recognize their accomplishments and potential and let them know we care. Let us see more than just the negative. Let our youth hear that we see the good and that we like what we see. Let them hear it now. Thank you Josh. You are an example to everyone.●

AN ENLIGHTENED VIEW ON THE COMPUTER CHIP SHORTAGE

Mr. WILSON. Mr. President, if this body has been united on one vital international trade issue, we have been united in taking to task the Japanese Government for its market practices that shut out United States semiconductor manufacturers for their unfair, predatory marketing practices in the United States and around the world.

When the United States signed a semiconductor agreement with Japan in 1986, we all hoped that the unfair Japanese practices would end, but they did not. When, after the Senate unanimously adopted a resolution I offered last summer urging retaliation for violations of that agreement and after the President responded by retaliating, we again all hoped that the unfair Japanese practices would end, but they did not.

While the dumping by Japanese chip companies has ended in the United States and foreign markets, United States chipmakers still do not have fair market access in Japan.

Yet, Mr. President, Japan, and some in the United States, have urged that the President lift all remaining sanctions against Japan and repudiate the safeguard provisions in the semiconductor agreement because they claim that this agreement has caused the existing shortage of DRAM chips—a basic memory component of computers, both large and small.

Mr. President, the semiconductor agreement has not caused a shortage of DRAM's. The shortage has been caused by market contrivances orchestrated by Japanese companies in the past that drove United States chipmakers out of the market, by present contrivances, and by normal business cycles within the semiconductor industry and among its customers.

In a very perceptive article that appeared in the June 21 edition of the Wall Street Journal, Prof. David B. Yoffie of Harvard's Business School responds to the false claims that have been made against the semiconductor agreement and explains some of the reasons why the market is today experiencing a DRAM shortage.

One factor not mentioned by Professor Yoffie concerns some relatively recent attempts by Japanese chip companies to force tie-in arrangements between its DRAM's and other products. The reason that Professor Yoffie might not have mentioned these attempts in his article is that they are not generally known to the public and details about them are not available as is true with most attempts to violate our antitrust laws—if not its letter, then its spirit. I wrote to Japan's Ambassador to the United States some time ago about these anticompetitive actions by Japanese companies and have not received a reply.

Mr. President, I ask that Professor Yoffie's article and my letter to Ambassador Matsunaga appear in the RECORD at this point.

The material is as follows:

[From the Wall Street Journal, June 21, 1988]

CHIP SHORTAGE: DON'T BLAME THE PACT

(By David B. Yoffie)

The prices of DRAMs (dynamic random-access memories) have skyrocketed in recent months. Shortages of these critical commodity semiconductors thus have been fattening the pockets of Japanese chip makers and hurting American electronics manufacturers. The prevailing opinion in the press is that a misguided trade policy is the cause: The U.S.-Japan Semiconductor Agreement of 1986 is just another foolish example of the U.S. government meddling with the market.

But the semiconductor agreement is not to blame. DRAMs are scarce partly because of normal industry cycles and partly because the U.S. hasn't been vigilant enough with its trade policy. Blaming today's problem on the semiconductor pact would send the worst possible signal to our trading partners, and doom the U.S. to further dependence on Japan for other critical products.

Higher DRAM prices should come as no surprise to veteran industry watchers. Semiconductors have a long history of booms and busts. Since it can take up to 18 months to bring new chip capacity on line, supply has always been low in catching up to demand during periods of expansion. Thus, when video games were the rage in the late 1970's, spot shortages were common for certain chips. When personal-computer sales exploded a few years later, some chips were again hard to find.

Origins of the present shortages and exorbitant prices can be traced to the PC boom. Flush with overcapacity, Japanese firms dumped DRAMs in world markets in the early 1980s, and then in 1984-85 attacked another memory product called Eproms (erasable programmable read-only memories). All large firms in this industry want to make products like DRAMs and Eproms because producing these high-volume chips helps drive a firm down a very steep "experience curve." Skills learned manufacturing DRAMs and Eproms are quickly transferred to lower-volume, higher-value-added devices. By 1985, however, all but two American chip makers had to abandon the DRAM market. Large, vertically integrated Japanese firms, able to subsidize memory-chip sales with profits from other lucrative lines, make it impossible for most American companies to survive in this business.

It was this predatory behavior in DRAM and Eproms, as well as Japan's systematic denial of market access for American firms, that led the U.S. government to sign the semiconductor pact. In negotiating a worldwide end to the dumping, the government rightly decided to forgo the other options under U.S. trade law, including imposing tariffs or quotas on chips coming into the U.S. Those alternatives might have resulted in immediate shortages or forced domestic consumers to pay higher prices while foreign and multinational consumers could buy dumped products. Either situation could cause American firms to be less competitive in world markets.

The trade agreement just required individual Japanese companies to set prices consistent with fair market value based on their manufacturing costs, and Japanese industry to improve market access for foreign semiconductors. Even when President Reagan retaliated against violations of these commitments last spring, he raised tariffs on \$300 million of widely available end-products rather than risk disruption of the semiconductor supply.

If U.S. trade policy has done nothing to distort a normal market in key components from Japan, why do we have such shortages and high prices today? Three reasons: the normal industry cycle—no one anticipated the latest explosion in demand; technical problems, readily admitted by the Japanese, in bringing new capacity on line; and a textbook case of the negative consequences of dumping.

Any economist will tell you that we shouldn't complain about foreigners dumping, because consumers benefit. The one exception is if foreign firms can put domestic firms out of business, and then raise prices. If it is costly to re-enter the business (like it is to restart DRAM production), foreign firms can gain monopoly profits at the consumer's expense.

Japanese dumping in DRAMs reached new levels—some firms were pricing at less than half of cost—while the world semiconductor industry was in the midst of its worst-ever slump. Although Japanese manu-

facturers lost as much money as U.S. companies (at least \$2 billion over 1985 and 1986), the smaller American firms couldn't sustain the losses without dramatic cutbacks. As a result, most U.S. suppliers withdrew from DRAMs. This has meant that American computer companies must depend on a handful of their Japanese competitors to supply virtually all of these critical components.

Some commentators have maintained that U.S. companies would have withdrawn from DRAM production in any case, in favor of customized chips. Not only do the learning-curve costs cited earlier belie that analysis, but the experience with high-volume Eprom production is instructive as well. There are no shortages of Eproms largely because the U.S. government prevented its domestic industry from being decimated. While Japanese firms had been cutting DRAM prices for several years, Japan did not have a major presence in Eproms until 1983. Once the U.S. industry filed Eprom dumping suits, it took only 10 months for Washington to start setting fair market values. The market is competitive and supplies adequate today.

Rather than signaling a bankrupt trade policy, today's shortages in DRAMs should remind us that dumped products in an industry like semiconductors usually lead to higher prices and limited availability if domestic suppliers are allowed to be destroyed. We need a healthy, well-balanced merchant industry to avoid future disruptions in supply. This may require a more active trade policy—not less.

For our semiconductor industry to survive and prosper in the long run, the second part of the 1986 accord regarding improved market access to Japan must be implemented. Last year, Japan had the largest semiconductor market in the world. American semiconductor firms, however, are still not getting an even chance in Japan. Despite the trade agreement, a 40 percent appreciation in the yen, and increased selling efforts by all large American firms, the U.S. share of the Japanese market hasn't measurably improved.

Exclusion from that market can cause dependence on Japanese suppliers only to grow. Timely, effective trade policy is part of the solution, not the problem.

U.S. SENATE,

Washington, DC, March 21, 1988.

His Excellency NOBUO MATSUNAGA,
Ambassador, Embassy of Japan,
Washington, DC.

DEAR MR. AMBASSADOR: I want to express my outrage at the new round of predatory commercial practices being undertaken by Japanese semiconductor manufacturers.

As you know, there is a significant shortage of 256K and 1-megabit DRAMs for use by American computer companies. Some have blamed this shortage on the semiconductor agreement between our two countries. However, there is an abundance of evidence indicating that the shortage is contrived. While Japanese firms appear to face no DRAM shortages from their domestic supplies, those same suppliers are withholding product from U.S. companies unwilling to "cooperate". Apparently in the parlance of Japanese semiconductor manufacturers, "cooperation" means capitulation to commercial as well as political demands far beyond the scope of normal business practices. As this goes on, the financial health of these firms is threatened, as are the jobs of their employees.

In recent days I have received a number of disturbing reports from California companies. In sum they paint a clear picture of a concerted effort to use DRAM shortages to weaken U.S. support for the semiconductor trade agreement, as well as to blackmail our companies to buy Japanese components even when good business sense indicates otherwise. Among those reports are the following examples:

One U.S. computer company has been offered DRAMs, but only if it is willing to transfer proprietary technology to the Japanese DRAM manufacturer.

Another U.S. firm has had its DRAM shipments cancelled within hours of the termination of talks on a completely unrelated business arrangement that did not conclude as the Japanese firm desired.

A third instance involves a U.S. computer firm that has been told that its future DRAM supply will hinge on whether its purchases ASICs from the Japanese memory supplier.

Still another example, similar in nature, involves the tying of DRAM availability to the American company's purchase of a full product line from the Japanese supplier.

Understandably, victims of these actions are unwilling to go public with these experiences, as they fear that to do so would open them to even more restrictive DRAM availability and commercial arm-twisting.

Beyond these private anti-competitive actions, I have been told that MITI officials recently approached U.S. chip makers, separately, with their own blackmail offer: If the U.S. company will ask for a lifting of the existing sanctions on Japan for its failure to abide by the semiconductor market-opening agreement it entered into with the U.S., that U.S. company will be granted a guaranteed increased share of the Japanese market. This divide-and-conquer tactic is insulting, as well as incredibly naive. It also makes clear that MITI does have an ability to pry open the Japanese market, despite protestations to the contrary.

This two-faced approach undermines the spirit and letter of the U.S.-Japan semiconductor agreement that you, yourself, signed only 18 months ago. Furthermore, it is an affront to those who have worked so hard to improve bilateral economic relations.

Mr. Ambassador, it saddens me that while the Congress is considering omnibus trade legislation, and while those of us in the Congress who support free trade are pressing for a non-protectionist bill, Japan is following the too-well-beaten path of protected home markets and concerted anticompetitive behavior. Those of us who seek expanded trade between our two countries as a means of redressing the present trade imbalances cannot continue to pursue this end if Japan is unwilling to join with us, both in its announced policies and in fact.

In light of the contrived DRAM shortage, the related arm twisting, and the secret deals unsuccessfully proposed by MITI, I will urge my government to increase existing sanctions unless the practices I have outlined come to an immediate end and the artificial constraints on DRAM production and shipments are removed.

Sincerely yours,

PETE WILSON.

BUSH CHILD CARE PLAN

● Mr. KARNES. Mr. President, on July 24 the Vice President delivered an important address at the annual convention of the National Federation

of Business and Professional Women's Clubs. This speech is significant because it should dispel any false rumors being circulated by the media and the Democratic opposition that there is a gender gap in the Republican Party or the Vice President is not attuned to women's issues. It is also significant because Mr. BUSH addresses one of the major concerns of American women and families—child care—and offers his own strategy for alleviating that concern—the "Children's Tax Credit."

The Vice President bases his child care proposal on three principles: Namely, that we must help families, not bureaucrats, by ensuring parents the broadest range of choices from which to choose day care for their children; we must help low-income working families who face the greatest burden in providing child care; and leadership is the key to implementing affordable, quality child care.

The Bush plan for child care calls for the creation of a new refundable tax credit—the Children's Tax Credit—of up to \$1,000 for each child under the age of 4. This recognizes the increased costs facing families with children. Implementation would be tied to the earned income tax credit. The credit would phase out as the taxpayer's income rises. Families with very low incomes would become eligible immediately. The new tax credit would be phased in from very low annual income levels to \$16,000 to \$20,000 over the first 4 years. It would also be made available to families with incomes exceeding \$20,000 as Gramm-Rudman budgetary goals permit.

The existing dependent care tax credit would be maintained, but would also be made refundable. This credit has been available primarily to upper income families where both parents are employed. With this change, the credit would assist low income families, whether or not the parents work and earn enough to pay taxes. A family would be able to take the greater of the two credits.

The Vice President also believes that the Federal Government should be a model for employers everywhere to emulate. He proposed mandating federally sponsored day care services in every department and agency.

I congratulate the Vice President on the direction and timeliness of his child care plan. I am pleased that he emphasizes family needs and parental preference. His proposal permits parents choice in the kind of day care they deem best for their children, and does not penalize them if a parent chooses to stay at home with the children and forego the additional income from a job. I am also pleased that he strongly opposes a Federal day care bureaucracy with Federal standard setting—the approach favored by supporters of the ABC bill.

The principles espoused by Mr. BUSH are also at the heart of the Wallop-Holloway bill, S. 2817, which I cosponsor. This bill is similar to the Bush plan in that it would allow a refundable tax credit for young children and would also provide for a \$400-tax credit for each qualified dependent, with the amount of the credit reduced as family income increases. I am also planning to introduce my own proposal at a later date. I suspect it will incorporate many ideas similar to those advanced by Vice President BUSH, Wallop-Holloway and others based on pro-family principles.

Mr. President, I urge my colleagues to read the Vice President's excellent speech. Accordingly I ask that excerpts of Mr. BUSH's remarks be entered into the RECORD.

The excerpts follow:

EXCERPTS OF REMARKS BY VICE PRESIDENT
GEORGE BUSH

For almost 70 years, the National Federation of Business and Professional Women's Clubs has been working for full participation, for equal opportunity, and for economic self-sufficiency for working women. But how the environment in which that work takes place has changed! Maybe BPW's founders wouldn't have predicted it in 1919—but today, working women are the backbone of the American economy.

As I travel across the country the next few months, I will focus on peace and prosperity. Today, I'd like to talk about America's growing prosperity from a different perspective . . . one that I believe many of you are especially concerned about. As you well know, the American work force has undergone a revolution in these past few decades, and the entry of women has been the principal feature of that revolution.

Your own testimony to the Republican Platform Committee said it best: "We are experiencing the greatest change in the American economy since the industrial revolution."

In determining how to adapt to the changes happening every day, there are two key questions. First, what forces are creating and driving change? And second, what principles, what values, shall guide our response?

Let's examine the answers to those two questions.

First, what is the nature of the change?

America, I'm proud to say, is in the midst of a period of economic growth unprecedented in postwar history. The great American job creating machine has churned out 17 million new jobs since 1982—and they're good jobs. Eighty percent of those created last year were in higher-paying skilled categories where the average income was \$26,000.

And the job boom cuts across all categories. White employment up 2.4% a year—black employment up 4.7% annually—Hispanic employment up 6.8%. And two-thirds of all new jobs created since 1980 have gone to women.

From 1980 to 1985, the number of women-owned businesses increased by over 47% . . . income for women-owned businesses increased three times as fast as that for men-owned businesses.

So when we talk about the recovery, we're talking about an achievement we've all shared in.

The expanded role for women in the work force is dramatic. It is the single most important demographic change in the second half of the twentieth century. But, some things don't change. Women work for the same reasons men do: to support themselves and their families, and to seize the golden promise of opportunity.

It's clear, too, most women work due to economic necessity. 60% of the women in the civilian work force are providing the sole or critical support for their families. Many women choose to start their own businesses, and for the same reasons men do. And, this has not just been good for women. Our economy could not have grown as fast as it has without women. Moreover, when we look ahead, our economy will not be able to fill the jobs that will be created without the continued growing participation by women.

Whatever the reasons for the expanding role of women in the work force, the net effect is the same: increasingly, women and men must fill more than one role in our society. More and more Americans have both jobs and family competing for their time. And for growing numbers of Americans, "family" means not only children, but parents as well.

That brings us to my second question—what values should guide us in meeting these new challenges? What are the principles upon which we can draw in designing a federal policy that responds—with creativity and compassion—to a changing world?

I believe there are several:

First, and most important, is the concept of opportunity. The goal of federal policy in every area should be to give people the opportunity to make their lives more productive, happy and fulfilling.

Maybe we can't guarantee the result, but every American deserves an equal chance at the starting gate of life and help in overcoming hurdles.

My second principle is that it is not enough for this generation to just worry about today; we have a responsibility as well to work for a better tomorrow. The way to do that is clear: we must invest in our children.

My third principle is that government—by itself—will not solve America's problems and guarantee opportunity. You understand. You've worked hard, you've fought and laughed; you've sacrificed and dreamed.

That's why we have worked hard in these last eight years to reduce the tax burden on average Americans. A typical American family now pays \$2,200 less in federal income tax than it would have under the Democrats.

And the burden has been reduced for low- and middle-income Americans. Those earning less than \$50,000 have seen their share of the nation's income tax burden drop by almost one-third, while those earning more than \$100,000 carry twice as much of the load as they did when we took office.

Some argue that my approach—which quite frankly takes a mistrustful view of big government institutions—lacks compassion. But what's more compassionate than rolling back the tide of joblessness to its lowest ebb in 14 years? Or saving a family from the ravages of 12% inflation or interest rates at 21%.

Some say that holding the line on taxes shows callous disregard for the needs of average, everyday Americans. But I've been all over this country, and I haven't met a working man or woman yet who thinks they're undertaxed.

The fact is that our policies of lower taxes and greater opportunity have resulted in the longest peacetime economic recovery in our history.

Democrats talk vaguely about "good jobs at good wages"—but that's exactly what our policies have delivered.

Have we finished our work? No. Is economic opportunity sprouting in every single corner of America? No. Will we rest until it is? No. But do we really want to turn back to policies that didn't work? To high inflation, high interest rates, and high unemployment? No. No way.

But more remains to be done. I remember the green buttons that were worn not so long ago. "59 cents," they read, because that's how much women were paid for every dollar earned by a man.

Today women working full-time earn 70 cents for every dollar earned by men.

There is only one amount that women should earn for every dollar earned by a man: and that is one dollar.

Equal pay for equal work is not a slogan, not an opinion, not an interesting idea. It is a right. It's a right to be safeguarded by vigorously enforcing existing laws—and that's something I have pledged to do.

One reason, perhaps the principal one, for the gap between women's pay men's pay is that, historically, women have been segregated in traditionally lower paying occupations. That's changing, too.

The Federal Bureau of Labor Statistics lumps all jobs into six broad categories. Between 1972 and 1987, the number of women in the three highest paying categories has skyrocketed—dwarfing the rise in lower paying categories.

And you can bet that this trend will continue. Today, fully half of those enrolled in our country's institutions of higher education are women. A third of all graduate students in M.B.A. programs are women. But the reality is that the majority of working women—the substantial majority—are still working in lower-paying jobs.

The number of families headed by women has grown sharply—sixfold in the last three decades. And the majority of women who head households—some 61%—are in the work force.

These are not just statistics. They are lives. Greatly challenged lives. And they demand our attention.

I've travelled quite a bit in the past year. I've spent time in the kitchens of rural Illinois, and the classrooms of East Los Angeles. I've spoken with young entrepreneurs in Florida, truckers in New Hampshire, and struggling families in my home state of Texas. You see parents who have to drive too far to find the child care they want; and those who want it but can't afford it.

I have spent time discussing the child care issue with mothers and fathers, employers and employees, liberals and conservatives. There are wide differences of opinion about the right approach. What came through clearly is that the single most important issue arising from the changes in our work force is child care.

Years ago, some may have viewed child care as a special and limited need. As recently as 1960, only 19% of women with children under six years old were working. By 1985, that number was 54%.

Today, over 70% of women in the primary family building years, ages 25 to 44, are working. That number is expected to reach 80%—four out of five—by 1995.

So today, child care is nothing short of a family necessity. And, because of that clear

truth, I am proposing today a set of policies that enables families—not government—to decide the right approach for themselves.

My philosophy with respect to child care is to put the choices in the hands of the parents, and not in the hands of the state.

A letter from a mother to the *Washington Post* tells a heart wrenching story.

The mother wrote, "... we believe we know better than anyone else—the state, the county, the federal government—what our children need to thrive... Now, in the name of protecting children, the state law has thrown me back into the pool of anguished parents searching for good day care, while a superbly competent day care provider is forbidden to care for children."

Something is wrong here. Of course we must insist on the highest quality child care. But, the government should be encouraging flexibility, not clamping down on parental choice. The government should be expanding options, not restricting availability.

This mother is saying let her decide. The Democrat proposal denies her that right. There is no one-size-fits-all solution to raising our children.

Parents work during the day and at night, swing shifts and part-time. Some parents want caregivers to be relatives or neighbors or at school or at church. Or, they want only after school child care or care for special children. They want caregivers to share their values. The Democrat approach would not provide these options.

I will build a policy around parental choice. Particularly, we must find a way to put a greater range of choices in the hands of low income parents—because they face the greatest difficulty in meeting the demands of work and family.

As businesswomen, I don't need to tell you that child care is a significant business expense. But for very low income workers, child care can eat up a disproportionate share of their income.

Today, I would like to propose to you one means of creating greater choice, while targeting our resources at those who need them most. I propose that we create the "Children's Tax Credit," a new, refundable tax credit of up to \$1000 per child under age 4, to recognize the increased costs of families with children. Implementation could be tied to the earned income tax credit. The tax credit would phase out as income rises.

Because low-income working couples face the greatest needs, families with very low incomes would be eligible immediately. To accommodate national budget goals, this new tax credit would be phased in from very low income levels in annual household income to somewhat higher levels over the first four years. And, it would be phased higher as budgetary goals allow.

I would also maintain the existing dependent care tax credit, and take an additional important step to make it refundable. Too many low-income families go without the assistance we have made available to upper income families because they do not earn enough to pay taxes. A family could take the greater credit—the Children's Tax Credit or the refundable dependent care credit.

There are other steps we could take to help. I would encourage more employer sponsored child care, using the federal government as a model.

We should establish a federal reinsurance revolving pool to reduce obstacles presented by lack of available liability insurance to employers. I would encourage employer sponsored child care, flexible work sched-

ules and benefit plans which allow workers to choose the benefits they need. Employers must demonstrate more flexibility and sensitivity to family needs.

Employers have a major role in helping parents find needed child care, but I do not believe in give-aways of taxpayer dollars to get business to recognize what it already knows: that it must provide assistance for more and better child care. Workers demand it; productivity demands it; a business's bottom line demands it.

Let me give you an example of one employer. At the Department of Transportation, under the leadership of former Secretary Elizabeth Dole, a private, non-profit day care facility was started—DOT Day Care, Inc. DOT put up the money to renovate the space, and a committee of volunteers raised the money to pay for initial expenses.

Today, DOT Day Care is up and running, getting ready to provide infant care. Secretary Dole's findings were the same as those of companies who have engaged in similar efforts: worker productivity improved and absenteeism declined.

Finally, the states and the federal government ought to provide additional resources to specifically address the needs of all working parents for a broader range of choices and higher quality child care. Many states and localities are addressing quality and availability of care, but many more must catch up.

Federal resources could provide seed money for innovative program design in sick child care, and before- and after-school care. And, I am committed to building the Head Start Program to a level where all eligible 4-year olds attend class.

I've heard it said that there are only two lasting bequests we can hope to leave to our children: one is roots; and the other, wings.

We can talk about economic growth, but the key to future economic growth is the education we give our children. The key to our competitiveness is the minds of our children. We can talk about values in our society, but our society's values will be those we instill in our children today.

One important way to guarantee good values is to encourage good teachers. I would, as President, encourage greater rewards for teachers, and greater respect for teachers—from students, and from society.

Before closing, I want to acknowledge the importance of small business to America's growing prosperity.

Many of you work in, or are the owners of, small businesses—the creators of most of the new jobs in America. You realize the importance of education in training the workers of tomorrow. You probably also realize something else. Conditions are not equal for owners of small businesses who happen to be women.

Some women-owned businesses have extraordinary difficulty getting credit. I think credit decisions should be based on merit, not on gender.

I believe that change is inevitable and exciting. Government must not mandate how society responds. Lets give people the tools to make better choices in the changing society. Lets give people the opportunity for a better life.

The opportunity for a better life. That means the freedom to choose, and the skills to grow.

The opportunity for a better life, that's what drew people to America centuries ago. That's what drew Coronado to New Mexico in 1540. It's what drew the Irish and Ger-

mans to New York in 1840. It's what I fought for in 1944. It's what draws the Vietnamese and the Koreans, the West Africans and the Central Americans to this great country today.

The opportunity for a better life. That's what stirs us all: the young student burning the midnight oil, the entrepreneur risking it all on new venture, the auto worker striving to improve productivity, the young mother supporting her family.

The opportunity to make a better life... a better America... that's what's drawing women into the work force. That's what motivates my concern about child care and education. And that's what will drive me if I am elected President.

Thank you very much.●

NATIONAL DRIVE FOR LIFE WEEKEND

● Mr. CHAFEE. Mr. President, today I am pleased to join my colleague from Illinois, Senator SIMON, in cosponsoring Senate Joint Resolution 350, to designate September 3-5, 1988 as National Drive for Life Weekend.

Drunk driving is an American tragedy. Too often, I pick up the newspaper and read about the suffering caused by drunk drivers: the tremendous loss of human potential, the promising lives cut short, and the families torn apart by senseless tragedy. Alcohol abuse has become an increasing problem in this country. The costs of this abuse are clearly magnified on our roads. When operators of cars, trucks or buses drink and drive, they endanger not only their own lives, but the lives of passengers entrusted to their care, other motorists and even innocent bystanders.

Drunk driving is responsible for the death of 23,000 people annually, or one person every 22 minutes. Numbers alone, however—even numbers of this magnitude—do not begin to tell the story of the suffering and loss caused by drunk driving every day. That is why we need to take effective action now. Mothers Against Drunk Driving [MADD], a group born out of personal experience, is an extraordinary example of what ordinary citizens can do if they care to act. In the last several years, MADD has been one of the most important and effective forces in the twin fights to raise consciousness about drunk driving and to reduce the number of alcohol-related accidents on our streets and highways.

Drunk driving affects individuals from all age groups and economic backgrounds. That is why I joined with my colleague, Senator PELL and 97 other Senators in urging Surgeon General C. Everett Koop to declare drunk driving a "national crisis." It is time to bring every Federal effort possible to bear on the problem of drunk driving.

As one step toward the eradication of this hazard, I urge all Americans to observe Drive for Life Day on Septem-

ber 3, 1988 by not drinking and driving, and to support the month-long Drive for Life campaign sponsored by Mothers Against Drunk Driving. Beyond that, each one of us should make a personal effort to prevent our friends and relatives from needlessly endangering their own lives and those of others by drinking and driving. Concerned citizens can make a difference.●

THE MINIMUM WAGE

● Mr. KASTEN. Mr. President, the debate over proposals to increase the minimum wage has quite rightly focused on the issue of whether the minimum wage hikes would slow down or stop employment growth.

But there is another important question to be asked: Does the increased minimum wage really help the people we are trying to help?

According to a new study by the Urban Institute, a minimum wage hike might not help the working poor. Researcher Ronald B. Mincy has discovered that 85 percent of workers who earn the minimum wage—or less—are not members of poor families.

I ask that the full text of the Urban Institute's report of Mincy's findings, published as part of the Urban Institute's Policy and Research Report of Summer 1988, be included in the RECORD.

The text follows:

INCREASING THE MINIMUM WAGE: A RISKY WAY TO REDUCE POVERTY

One of the strategies now being considered by the Congress to reduce poverty is legislation to increase the minimum wage, currently set at \$3.35 per hour. This rate has not been raised by Congress since 1981. In the same period, the poverty line for a family of four has risen 20 percent, from \$9,287 to \$11,203.

How effective would a higher minimum wage be in reducing the number of families in poverty and in closing the poverty gap (the discrepancy between the income of a family of four and the official poverty threshold for a family of that size)?

According to Ronald Mincy, an Urban Institute researcher who recently addressed this issue, such a strategy could result in substantial reductions on both fronts. But, warns Mincy, using this tool to achieve such results may entail trading in short-term gains for serious long-term losses. He warns that there is a "disemployment" factor (the loss of jobs by some low-wage earners) associated with increasing the minimum wage that could severely curtail the future earning power of today's teenagers, the next generation of adult workers.

Mincy's conclusions and his concerns are the result of a study he is conducting to expand and update an analysis of this problem by former Institute researcher Terrence Kelly, published in 1976. The study by Kelly and more recent evidence suggest that because of the difficulty of targeting minimum wage increases to low-income families, the minimum wages is not a very effective tool for moving families out of poverty.

Mincy disagrees. Citing changes in the demographic characteristics of the poor and

the working poor in recent years, he suggests that raising the minimum wage by \$1.00 per hour (to \$4.35), accompanied by full coverage and compliance, could simultaneously reduce the poverty gap of \$8 billion by about \$1 billion (a 13 percent reduction) and also remove 200,000 families, or 9 percent of the total of low-wage working families, from poverty. The reduction would be 3 to 4 percent less if compliance and coverage were unchanged from present levels.

These conclusions are based on simulations Mincy conducted to determine the potential effects of some current minimum-wage proposals on the poverty gap among families with low-wage family members. Mincy also found that the long-term erosion in the real value of the minimum wage is even more striking than the short-term inflation-driven decline of the past seven years.

In 1968 a full-time, full-year minimum wage worker received an income 7 percent below the poverty level for a family of four. Six years later, in 1974, the minimum-wage income was 21 percent below this poverty level and the decline has continued, bringing the current real income level to 61 percent below the poverty level.

Some observers suggested that the gap can be remedied by indexing the minimum wage to average hourly earnings. Mincy points out that in a period when average real wages of all workers decline or stagnate—as in recent years—the minimum-wage workers whom are least able to afford a decreased income would suffer rather than benefit from indexing.

SEVERAL FACTORS TEMPER IMPACT OF WAGE INCREASE

In his attempt to determine the potential impact of an increase in the minimum wage on the number of families in poverty and on the poverty gap, Mincy looked at many selected factors, including the hours of work per week and the sex, race, age, and family characteristics of low-wage earners. He also took into account the degree to which low-wage workers are covered by the minimum wage and the amount of employer compliance with the law. In 1985 more than 73 million American workers were covered by this law, but many other workers, especially in the retail trade and service areas, were not included and thus would not be helped by the contemplated increase.

Mincy's analysis revealed several key limitations in the use of a minimum-wage increase to reduce poverty. Most important, he found that 85 percent of workers who earn the minimum wage or less are not members of poor families. Some are dual-earner families with few children; others are teenagers in nonpoor families or are workers without dependents or partners. Thus an increase in the minimum wage would benefit families that are not necessarily poor.

Mincy also found that a poor family with more than one low-wage earner would benefit more from a minimum wage increase than families with only one such earner. However, 86 percent of all low-wage workers in poor families are the sole low-wage family members, according to the analysis.

Another important limitation that emerges from the data is the large share of total employment that is not covered by minimum-wage requirements. Seventy-seven percent of all workers who earned less than \$4.35 per hour, and sixty-nine percent of all workers in poor families who earned below \$4.35, are employed in the retail and service trades, which in many cases are exempted

from the minimum wage requirements. Thus, unless coverage is extended to these sectors, these workers will not benefit from a minimum-wage increase.

TEENAGE WORKERS COULD BE ADVERSELY AFFECTED

A unique feature of Mincy's study was that he built into the simulation the possibility of "disemployment" of some low-wage earners because employers are not willing or able to pay the higher rates. He found that those who would experience the greatest disemployment effects—teenage workers—make the smallest contribution to the family income and hence this adverse consequence would detract little from the intended overall effect. Teenagers work fewer hours and fewer weeks in a year than do adults. Thus, should the teenage family member lose a job because of an increase in the minimum wage, this loss would not greatly affect the family's chances of moving out of poverty.

What might be significantly altered, however, is the teenager's ability as an adult to secure a job that could lift him or her out of poverty. Teenagers who lack the opportunity to acquire an employment history today may end up as tomorrow's disadvantaged workers, according to Mincy. This unintended future effect of an otherwise promising tool to help families out of poverty is especially important to consider given the high unemployment rates among already disadvantaged youth in the inner city areas. If true, it may mean that increasing the minimum wage will result in exchanging a short-term gain—lifting some poor families out of poverty today—for a long-term loss—jeopardizing the ability of their teenage children to secure adequately paying jobs in the future.●

IMMIGRATION REFORM: HOW IT IS WORKING

Mr. SIMON. Mr. President, last month I held a forum on immigration issues that are facing the State of Illinois. Coordinated with the city of Chicago's Immigration Reform and Control Act unit, the forum gave me a very good opportunity to hear directly from community leaders and individuals who for the past year have worked with the Immigration and Naturalization Service to make the legalization program work. I learned a great deal, both positive and negative, about how the Immigration Reform and Control Act is affecting the lives of immigrants, their families and all of our communities.

I believe the testimony I received that day will be instructive to my colleagues. Many of the same situations are occurring in their States. Right now we are at a midpoint between the first stage of legalization and the second stage. Over 1.5 million individuals applied for temporary legal status nationwide. In the next 30 months, they will have to apply for permanent resident status or else they will lose their legal status in the United States and become undocumented once again. As the Immigration and Naturalization Service promulgates its regulations to implement the second stage of

legalization, I hope my colleagues will find this testimony useful so that we may all learn from the experiences of the first stage and guarantee that the maximum number of eligible aliens will apply in the second.

As a member of the Immigration and Refugee Affairs Subcommittee, I remain committed to a fair and generous legalization program as intended by Congress. My staff has had some success in working out a number of cases with the INS to protect the unity and integrity of family units in the United States. However, I continue to look for legislative solutions where administrative and regulatory answers fall short.

I encourage my colleagues to review the statements from the wide range of individuals and organizations I heard from in Chicago. Now is a critical time for the Immigration Reform and Control Act. We must ensure that our congressional efforts, the work of the Immigration and Naturalization Service and the activities of the immigrant communities go forward hand in hand to the benefit of the entire Nation.

I ask that the testimony be printed in the RECORD.

The material follows:

TESTIMONY OF CARLOS HEREDIA, DIRECTOR,
POR UN BARRIO MEJOR

Good afternoon Senator Simon. My name is Carlos Heredia. I am Director of Por un Barrio Mejor, a community based organization that provides a variety of services to the Hispanic community in the Little Village area of Chicago. I am also a member of the Mayor's Advisory Commission on Latino Affairs (MACLA), which serves as an advisory body to the government of the City of Chicago on issues of concern to the Latino community. I am speaking today as a representative of these two organizations to express to you general concerns regarding implementation of the legalization program and how it and immigration policies impact our community.

The testimony that will be presented to you will touch upon the various specific issues regarding the second stage of the legalization program. These issues are of utmost importance to our community. The legalization program and its success, or potential failure, is critical to where Hispanics will be as members of the community of this country for decades to come. Immigrant workers are the foundation of the Hispanic community in the United States. As such, it becomes inevitable that immigration policies dictate where our community is going and how it is treated, since the Hispanic community is the single largest group affected by current policies.

What I want to emphasize to you is that immigration policy has to be viewed from the context of how it affects a community at large. In our eyes, there is no distinction between an undocumented or legalized worker. We are all one people and demand to be treated with dignity and respect. The testimonies that follow discuss in detail the various concerns of the second stage of the legalization program, from the point of view of ensuring that legalization becomes the vehicle to integrate millions of immigrant workers into the real American society, away from the shadows and free of the fear

that their stay in this country can end the very next day.

Senator Simon, what we are asking is that you become directly involved in the implementation process, using your influence to demand that policies implemented by the Immigration Service reflect the human needs of a community. In making this request, I speak not only on behalf of the Hispanic community, but all other immigrant and refugee communities. We share common problems and aspirations with these other communities and firmly assert our mutual interests in making this request to you. You have shown an awareness and sensitivity to the problems of our communities. We commend you for that and urge you to become a committed advocate for our ongoing needs. The recommendations that will be made to you regarding implementation of the second stage of the legalization program are vital to our community. Your work in addressing these concerns will in many ways dictate the future of the Hispanic and other immigrant communities in this country. Thank you.

TESTIMONY OF CECILIA MUÑOZ, CATHOLIC
CHARITIES

I would like to thank Senator Simon and his staff for the opportunity to speak today. I am Cecilia Muñoz, of Catholic Charities and the CCIP, and I will be outlining the issues which the QDEs still confront as we continue to implement Phase I of IRCA.

Though the deadline for Legalization applications to be filed is past, Phase I of Legalization is far from over. In fact, I would venture to say that the role of the QDEs is even more vital now, because the verdict is still out for the majority of Legalization applicants. If we were set up as QDEs to maximize the number of immigrants who would benefit from Legalization, then our task is clearly not finished until all of them have safely attained Temporary, then Permanent Residence. We have a long way to go.

Of the 126,000 Legalization applications filed in the Chicago area, less than half have received their temporary residence cards. The 70,000 which remain have yet to be adjudicated by the Regional Processing Facility (RPF) in Lincoln, Nebraska. The QDEs' experience with Lincoln has shown us that, even 14 months after the beginning of Legalization, the process still has major flaws which need to be ironed out. We get RPF responses that are sent to the wrong place, requests for more information that fail to outline what information is needed, and worse, requests for information which, according to our records, was already included in the original file.

When we faced these sorts of bureaucratic difficulties at the local Legalization offices, at least we had direct contact with the INS officials involved so that we could discuss, and hopefully resolve the problems. Unfortunately, QDEs do not have access to the RPF, which refuses to accept phone calls from applicants or their representatives. We have no contact other than through the mail, which to date has not yielded any resolution to the problems we've encountered with the RPF. The people who lose out in the end are, of course, the applicants.

There are also a number of ways in which the adjudication process at Lincoln is inconsistent with the intent of Congress to implement IRCA in a generous fashion. For example, Catholic Charities is currently working on two appeals for clients who left the country for more than 45 days due to a death in the immediate family in Mexico.

Though they went home for a family emergency, and did not relinquish their residences or jobs in the United States, Lincoln has determined that they broke the continuous residence requirement.

In addition, applicants who were supported by common-law spouses or other family members are being asked for more information or denied, a problem which has the potential for disqualifying large numbers of undocumented immigrants who have survived here for years by relying on their family networks instead of on public aid. From our point of view, these people have fulfilled the requirements of continuous residence and financial responsibility, and deserve the right to stay and work legally if this law is to be implemented fairly.

While the QDEs who will be active through Phase II are responding to these kinds of denials and filing appeals, we are concerned for those applicants who heeded the INS' advice and filed on their own. Many may not realize that they are being denied on issues which have yet to be resolved, or that they have the right to appeal if they are denied. Our concern is borne out by the statistics; less than half of those denied have filed appeals. It is possible that a significant number of the people who came this far may not obtain Permanent Residence simply out of a lack of proper information about their right to appeal.

The danger of losing Legalization applicants before they safely reach permanent residence stands to increase dramatically in Phase II of the process. The main problem is simply that many of the newly legalized do not realize that the process is not over. They were never informed that their I-688, or Temporary Residence card, expires, or that when it does, they revert back to undocumented status. Many do not realize that they must fulfill the English language and Civics requirements or even that they have a second application process to go through.

Clearly, public information needs to be a top priority in order to ensure that all of the people who made it through Phase I reach Permanent Residence safely. As QDEs continue to grapple with implementation problems originating at the Lincoln RPF we face the reality that we have no financial or legal agreement with the INS for public information or any other aspect of Phase II. Our work is far from over, yet we lack the support to perform all of the tasks so vital to ensuring that legal status be a permanent reality for the newly Legalized.

We ask Senator Simon for his continued support as we resolve the many issues still surrounding Phase I and prepare for Phase II. Certainly his position on the Immigration Subcommittee provides a good opportunity for monitoring the INS' efforts to adjudicate the remaining applications according to the intent of Congress, and to move quickly and efficiently into Phase II. We ask for the Senator's support with the following Phase II priorities: emphasizing aggressive bilingual public information to all applicants, providing for an official role for immigrant service agencies in the application process, and establishing a greater degree of contact between these groups and the INS to ensure fair implementation of the next stage of IRCA.

Thank you for the opportunity to speak, and for your attention to these issues.

TESTIMONY OF DAVID MARSHAL—CHICAGO
COMMITTEE ON IMMIGRANT PROTECTION

The Chicago Committee on Immigrant Protection (CCIP) welcomes the opportunity to speak out on issues surrounding phase II of the Immigration Reform and Control Act (IRCA). As you may already be aware—Senator Simon—the CCIP, as a coalition, works with and represents many of the organizations present at today's forum. We have worked closely with your office on immigration issues ranging from family unity to extension of the legalization program and we anticipate your support and leadership advocating on behalf of the hundreds of thousands of immigrants and refugees currently residing in Illinois.

My role today is to voice the CCIP's concern about some specific issues which may have a negative impact on the number of individuals who legalized under the recent program who actually make it to legal permanent residence. Specifically, the direct mail procedure that the Immigration Service has proposed presents some major obstacles to the ultimate success of the legalization program: (1) by just notifying temporary residents via the mails of the requirements for obtaining permanent residence, and not mounting a well funded, high profile PR campaign, many temporary legal residents may fall into undocumented status by November of 1989. This point is especially valid when we consider that many of the QDE's and immigrant legal assistance agencies, themselves, have a hard time maintaining contact with their often transient immigrant clients; (2) by closing the vast majority of legalization offices and at the same time requiring all applications to be submitted via the mails to the Lincoln, Nebraska Regional Processing Facility, the INS is eliminating the 'vital' human link that they themselves worked hard to establish at the temporary residence stage; (3) the temporary residents' lack of familiarity with American government processes as well as their lack of English language proficiency and literacy makes the mail-in system particularly ill-suited for this population; and (4) given that temporary residents have only 12 months to apply for permanent residence and that there is no receipt issued upon submittal of the application it is more than likely that a number of applications may get lost without the applicants having any knowledge of the status of their case. We are particularly alarmed by this issue because it was only several months ago that the INS notified Chicago area QDE's that they had lost 12,000 cases at their Lincoln RPF and needed our assistance to determine who the applicants were.

The issues that I have presented are serious ones and yet—interestingly enough—they could be solved administratively by the INS itself. Simply put, the INS should give temporary residents the opportunity to apply either via the mails or in person at the LO through at which they had initially filed their legalization application. Presently the INS is embarking on several large scale cost-cutting measures which will have an enormous impact on the ultimate success of the legalization program. Considering that over 125,000 individuals applied through the four Chicago area legalization offices and that total fee revenues far outpaced expenses for the legalization program in the northern region, we feel it appropriate to request of the INS that the Legalization offices be kept open for not only permanent residence interviews but that they

both distribute and accept permanent residence applications.

TESTIMONY BY GALEN CAREY, MIDWEST
REGIONAL DIRECTOR, WORLD RELIEF

Thank you for the privilege of testifying on this important subject. In the past year World Relief has filed applications for legalization on behalf of over 14,000 immigrants from 46 countries, including nearly 3,000 here in Illinois. We have provided information and counseling to over 60,000 others. Allow me to highlight the following issues regarding the second stage of the legalization program:

1. *Public Education.* Although IRCA mandated an extensive public education campaign to inform eligible immigrants of the opportunity for legalization, the actual efforts were inadequate. In particular, changes in regulations and eligibility criteria were inadequately publicized, resulting in many immigrants incorrectly believing that they did not qualify and therefore losing the opportunity to gain legal immigration status. World Relief and other private voluntary agencies conducted extensive public education activities but with little or no federal support.

World Relief is concerned that the failures of public education efforts in the first stage may be repeated in the second. The fact that legalization is a two-stage process has not been adequately publicized. Surveys show that as many as 85 percent of the newly legalized population are unaware of the second-step requirements. (Source: National Association of Latino Elected and Appointed Officials) If these people do not apply for permanent residency, they will lose their legal status and the intent of the law will have been frustrated.

The experience of the past year has shown that written communications from the INS are inadequate and confusing to many legalization applicants. For example, when applicants whose cases were approved received letters of congratulations from the INS urging them to tell their friends about the program, many called or visited our offices, concerned and confused about the status of their own cases. The most productive and cost-effective public education efforts have been those conducted by community organizations and private voluntary agencies who work directly with immigrants.

World Relief therefore recommends that the INS be mandated by Congress to conduct an extensive and timely public education campaign for Stage 2 of the legalization program, and that at least 50 percent of the public education budget be designated for local campaigns by QDE's and other community organizations.

2. *Application by mail.* There are many problems inherent in the proposed mail-in procedure for permanent residency applications. A certain percentage of the applications will undoubtedly be lost, and the applicants will have no proof of filing, as would be the case with an in-person filing.

World Relief recommends that the INS accept applications in person at its Legalization Offices, as an option for applicants who choose not to risk filing by mail.

3. *Interviews without A-files.* Under the proposed system, applicants' files will be kept in a central office with selected data keypunched onto the INS computer. Local INS personnel will conduct the permanent residency interviews and a final decision will be made without the applicant's file. There

is significant room for both technical and human error to occur.

World Relief recommends that in cases where the local office intends to deny an application, they be required to obtain and review the applicant's actual file before proceeding with the denial.

4. *Use of INS District Offices.* Use of District Offices may be necessary in some parts of the country as a cost-saving measure. However, World Relief has strong concern that this move may compromise client confidentiality.

World Relief recommends that strict guidelines on District Office involvement be established to prevent breaches of confidentiality. For example, all legalization staff should be employed exclusively by the legalization division, and legalization interviews should be conducted in a secure area of the office.

5. *ESL/Civics requirement.* Proficiency in English language and knowledge of U.S. history and government has never been a requirement for permanent residency. In the current conduct of naturalization interviews, excessive latitude is given to individual examiners, leading to gross abuses and inconsistencies. World Relief supports a fair and generous interpretation of the English/civics requirement. In particular, we recommend:

a. In view of the expected backlog both in INS processing and in availability of ESL/civics classes, that no restriction be placed on the amount of time elapsed between receipt of a "successfully pursuing" certificate and date of application for permanent residency.

b. That the Federal Textbook on Citizenship not be used to test English language proficiency. The Textbook is too detailed and advanced, and contains extraneous material not relevant to an accurate test of an applicant's "minimal understanding of ordinary English." (245 a.)(t)

c. That a list of 100 suitable study and test questions be distributed to applicants and used by INS examiners to test English knowledge. This is a fair and consistent means to test an applicant's understanding of ordinary English.

d. That the test of civics/history knowledge be available in the applicant's native language. This is a discrete area of knowledge and should not be confused with knowledge of English. Again, a list of 100 objective test questions should be developed and distributed in the major languages. By using objective true/false or multiple choice of questions, the test may be graded in any language. Applicants should have the option of taking the test orally or in writing.

e. That state educational agencies, rather than the INS, conduct any on-site monitoring of classes. Fear of INS enforcement could have a strong negative impact on students and the community agencies which serve them. Further, the INS does not have the technical capacity to evaluate educational programs. Any information required by the INS should be secured through off-site review of curricular materials or meetings with agency administrators.

6. *Registry date.* Over the past year World Relief has counseled many immigrants with impeccable credentials as law-abiding, hard-working, and highly desirable members of their communities. These people have made inestimable contributions to the economic, social and cultural vitality of our nation. However, our current law excludes them from the rights and opportunities of citizen-

ship. This exclusion is indefensible on either moral or economic grounds.

World Relief therefore recommends that the registry date be advanced to November 6, 1986, so that those who have established residency in the United States as of that date, will be eligible to apply for permanent resident status. The registry process is administratively much more efficient than the two-stage legalization process, and would extend the benefits of legalization on a broader and more equitable scale.

Thank you very much for the opportunity to testify.

TESTIMONY OF MARCELO GAETE, COMITE LATINO

Good afternoon, my name is Marcelo Gaete, I am an organizer with Comite Latino, a community based organization in Chicago's northeast. I welcome the opportunity to express our concern about the impact of the Immigration Reform and Control Act on the immigrant family. In particular today I will discuss the consequences because of IRCA's inability to address Family Unity, the communal tension created by it, and the non-solutions presented by INS.

Historically the preservation of Family Unity has been a standard of U.S. immigration law and policy. Since 1965 with the establishment of the current preference system this practice has been a tangible reality. Under this system the principle applicant for visa, refugee and asylum status is allowed to include his or her immediate family; spouse and minor children.

Yet, under IRCA family unity is not a priority. The law threatens the composition and unity of immigrant families by not providing for a derivative status for spouse and children of IRCA applicants. What IRCA created was a system where an individual (irrespective of family realities) must meet INS regulation for IRCA. That is, all are measured by the same stick. Therefore, homemakers, children, and handicapped family members are placed at a disadvantage. This disadvantage, because of the strict documentation requirements, has turned into a real source of family division by the laws failure to explicitly allow for family unity. Also it is fair to assume that a vast number of families applying will remain together, yet, we must understand that this individualized system of legalization is a two year process where the result will not be seen for some time. But, the mechanism is there which can in the process divide families in two.

Additionally, IRCA by forcing individualized legalization divided a vast number of families into documented and undocumented, where one or more family member is in the process of obtaining amnesty, but the rest of the family did not because they absolutely have no possibility of legalizing family members who either arrived after January 1, 1982, have no documentation to prove their case, left the country for over the arbitrary 180 days, or could be seen as a potential public charge. So, then families can be divided by the legalization process itself and by the exclusion of family consideration in IRCA system of individualized process of legalization.

As a direct consequence of IRCA's inability to address family unity we have experienced confusion, tension, fear of applying, and limbo families (half documented and half not). As an applicant commented, "I welcome this opportunity to live in peace, to be able to work and fully participate in soci-

ety. I welcome the opportunity to be able to kiss my children good-bye each morning assured that I will not be deported. I am glad to finally use my real name. But, my joy is not complete, my wife does not qualify for amnesty. Now, it is her who could be deported. She could be apprehended in a raid at the supermarket, at home, anywhere. She is a prisoner of fear." This individual story is only one of many half legalized families.

A family can eventually be "reunited" once the family member obtaining legalization becomes a permanent resident or citizen by applying with the preference visa system. But, currently the backlog for grant visas for Mexico is about ten years behind. By then many minors will be adults, thus making it harder, or more drastically, they could be deported by INS.

So what are they obtaining? Well, some believe Mr. Moyer offered a real solution by offering the Indefinite Voluntary Departure solution for immediate family members who don't qualify under IRCA. But, is this a real solution? No. Under this process individuals present themselves to the mercy of INS without the protection offered by IRCA, and arbitrarily are granted or denied the status. This status can be revoked at any time, may or may not offer work authorization. But, more important, a person applying for this status if denied, may be placed immediately under a deportation proceeding. This an administrated non-solution granting a recognized status but not legal recognition.

What the immigrant family needs is not an IVD status, what it really needs is your tangible help, Senator Simon. It needs your proven leadership. It needs a legislative solution. For this present crisis in the family unity of immigrants will only be solved, remedied by such. Immigrant divided families need a bill which will expand the IRCA legalization program to grant derivative status to the spouses and minor children of IRCA-eligible aliens.

Families need a more equitable, just, and human system.

Thank you for your interest and concern.

TESTIMONY OF CARLOS ARANGO, DIRECTOR, MIDWEST COALITION IN DEFENSE OF IMMIGRANTS

My name is Carlos Arango. I am the Director of the Midwest Coalition in Defense of Immigrants. Our organization has been active for over a decade in a struggle to defend and expand the rights to immigrant workers. We have been very involved during the legalization process of IRCA, assisting people in the community with specific cases and attempting to create greater awareness of the potential problems with the way the law has been implemented. In our opinion, there has been a failure on the part of the INS to implement the legalization program as it was designed by Congress. Congress clearly indicated that legalization is a generous entitlement, that the largest number of people should be granted the opportunity to legalize. We feel very strongly that in its implementation of the program, the INS so far has fallen far short of the intent of Congress. A clear example of this situation is that after INS implemented its regulations for the first stage of legalization, a number of lawsuits were filed challenging the restrictive way in which INS interpreted the requirements for legalization.

This litigation has been going on for over a year, and a number of important decisions have been handed down by the Courts. It is extremely important to note that all of the

decisions have been against the INS and in favor of a more generous interpretation of the law. It is clear that the Courts agree that the legalization program is a means of allowing the largest group of people the opportunity to legalize and that obstacles to accomplish this should be removed.

Senator Simon, the decisions by the Courts in the cases against INS are extremely important and need to be kept in mind at this point in time. We need to understand that the INS has not to date demonstrated the same interest and commitment to the legalization process that Congress mandated. As the INS prepares to implement regulations for the second step in the legalization process, it is crucial that they be reminded of their mistakes of the past. Those mistakes can not be repeated. If they are, the legalization program stands to become no more than a farce and a trap for millions of immigrant workers in this country. These immigrant workers have made contributions to this country that entitle them to much better treatment than that. Thank you.

STATEMENT OF DUONG VAN TRAN, DIRECTOR OF THE IMMIGRANT AND REFUGEE ACCESS CENTER OF TRUMAN COLLEGE, CITY COLLEGES OF CHICAGO

I would like to thank Senator Simon and the Chicago Commission on Human Relations (CCHR) for giving me this opportunity to be a part of this public forum, and to express some observations on the educational issues of the second stage of legalization at this time when regulations and plans are being prepared by the Immigration and Naturalization Services (INS) and other related federal and state agencies. These regulations and plans will affect thousands of immigrants who obtained legal temporary resident status under the Immigration Reform and Control Act (IRCA).

I want to make it clear that the following observations are mine and should not be understood as those of the Chancellor of the City Colleges, the President of Truman College or their primary staff.

Concerns for availability of classes: Current INS figures indicate that more than 126,000 individuals in Illinois have applied for legal temporary residency under Phase I of IRCA. While estimates from the Illinois Department of Public Aid—which administers the State Legalization Impact Assistance Grant (SLIAG) program in Illinois—indicate that approximately 45% of this total will desire educational services under Phase II of IRCA, figures compiled by some community-based organizations (CBOs) placed this figure at a much higher level, close to 85%. Regardless of which figure proves to be more accurate—a fact that will not become clear until well into the time frame for Phase II—the fact remains that a tremendous number of persons will be seeking admission to a limited number of available English as a Second Language (ESL)/civics courses in our state.

We are concerned about the problem that oversubscription pose to newly legalized residents of Illinois. Due to the potential for limited availability of classes, many of those seeking an adjustment to permanent residence status may be unable to successfully complete the thirty of the sixty hours of instruction mandated for certification of "successful pursuit" before the eighteen months allotted for Phase II processing are up. Therefore, we ask your help in three ways:

(1) That you encourage INS to clarify and finalize Phase II regulations as quickly as possible so that ESL/civics programs can be set up in accordance with these regulations.

(2) That you encourage the U.S. Department of Health and Human Services (HHS) to expeditiously approve state applications for SLIAG funding so that they can disburse the money necessary to implement educational programs under Phase II.

(3) That you encourage planners here in Illinois to fund as many educational programs as possible and thereby make ESL/civics classes available to all applicants upon demand.

Concerns for services in rural areas: Here in Illinois, as in other states which much administer SLIAG programs both in major urban centers and large rural areas. We are concerned that the newly legalized in the rural downstate areas have not been and will not be, despite INS best efforts, adequately served. Legalization office services have been lacking downstate; as Phase II regulations come into play and rural and migrant applicants require educational services to meet permanent residency requirements, a similar inadequacy will arise. This problem stems not only from a lack of educational institutions and community-based organizations which could provide SLIAG Phase II services in rural areas but also from the fact that rural and migrant applicants have low educational and literacy skills levels, having had little or no access to educational programs of any type. These applicants in rural areas will not be able to obtain "affidavits of successful pursuit" for the ESL/civics courses, and will be required to take the citizenship tests in order to obtain permanent residency. The fear that they may fail the test twice—and therefore possibly lose their legal status—will make it more difficult for these people to prepare and to pass the citizenship exam.

Concerns for appropriate citizenship tests: One of the goals of the legalization program is to prepare the eligible aliens to function fully and positively as new Americans. The more broadly participatory this program is made, the better integrated these new residents will be. To this end, we encourage you and your colleagues, when a policy-making opportunity arises, to reconsider one aspect of Legalization—Phase II, and of the citizenship process itself: the question of how and by whom citizenship tests are given.

In the contexts of Legalization—Phase II, the question of how the tests are given needs attention.

First, we advocate that the literacy portion of the exam be standardized according to guidelines that truly measure an applicant's literacy in areas related to survival and employment, not just his ability to read or spell domain-specific vocabulary from such fields as governmental organization, constitutional law, and American history. Concepts and facts such as these are important to residents of this country and should be evaluated as such—as concepts and facts—not as spelling words. Therefore, we advocate also the standardization of the history and civics content of the legalization/citizenship exam for both applicants for citizenship and applicants for permanent residency. A list of 100 questions, drawn up by an educational institution for INS, could be distributed to educational institutions for curriculum planning, translated into the language of legalization and naturalization applicants and given to INS examiners as a basis for testing. This would insure the identification, study and testing of the relevant

concepts and facts needed by every resident of the United States.

Ultimately, the responsibility for certifying applicants should be transferred from INS to America's educational institutions. This would have several advantages:

First, INS would be freed from the burden of monitoring educational programs and administering tests—tasks outside the realm of its responsibility and expertise;

Second, through officially recognized access to American educational institutions, the newly-legalized and the naturalization applicant would be better mainstreamed into American life and thought.

Finally, education and testing for legalization and citizenship could be left in the hands of those educational theorists and practitioners who best understand this complex process and the variables that affect it.

Concerns for appropriate monitoring of ESL/Citizenship classes: My professional experience as an educator indicates that successful learning requires, among other things, a partnership between (1) the students themselves, and (2) their teachers and the educational agencies that plan and monitor the learning process.

In light of this, I am concerned that the proposed regulations which allow INS to monitor non-SLIAG funded ESL/citizenship classes for temporary residents will (1) negatively affect the learning milieu, that is the willingness and the ability to learn of the students due to their "institutionalized" fear of INS, (2) provide no guarantee of the quality of education for these temporary residents due to the lack of expertise of INS regarding curriculum testing and teaching, (3) create inconsistency between SLIAG-funded and non-SLIAG-funded classes in the nation, and (4) generate more confusion and misunderstanding on the part of the new Americans about the fairness and consistency of the American naturalization system.

Therefore, I urge you to advise the INS to ask federal or state educational agencies which are equipped with unquestionable professional expertise to monitor the English/citizenship classes for legal temporary residents.

Legalization is an American program: The newly legalized immigrants are new Americans. The IRCA/Legalization Program is an American program, conceived by Americans for new Americans. This American program requires the participation of American organizations at all levels of all sectors of American life. I appreciate Senator Simon and the CCHR/IRCA Unit for organizing this public forum. Illinois should set an example in effectively implementing this American program, which should involve the active participation and cooperation of the legalization applicants themselves, U.S. and state legislators, INS, HHS and other federal agencies, IDPA, the Illinois State Board of Education (ISBE) and other state organizations, CCHR and other city departments, social services agencies, community-based organizations, and all educational institutions which include, of course, the City Colleges of Chicago.

In Illinois, IDPA/Naturalization Section, ISBE, CCHR and the Chicago Committee on Immigrant Protection have done an impressive job in planning for legalization programs—Phase II, and in conducting various public forums with community-based organizations similar to this one. We urge you to take actions to see that INS regulations be expedited, and federal SLIAG funding be approved at an appropriate level for Illinois

so that the rights of the newly legalized residents will be protected and the welfare of Illinois residents will not be negatively affected by the bureaucratic delay of the federal government.

I am optimistic that meeting the challenges in the second stage of legalization will give us valuable lessons in planning for future American immigration and naturalization policies.

Thank you.

SHEILA BRADY, PROGRAM DIRECTOR

I would like to make some comments on the educational component of the second phase of the legalization procedure.

The proposed regulations stipulate that the Immigration and Naturalization Service (INS) has the responsibility for monitoring the English as a Second Language (ESL) and Civics programs to be provided for new immigrants. To our knowledge, the INS is not an educational agency, has not run educational programs, and has no expertise in this area. As such, it does not appear to be the appropriate body to assure a quality educational program.

There is a second problem which I will delineate. Research shows that the best providers of educational services in immigrant communities are community based organizations (CBO's). These organizations function in the heart of the community; they are convenient; they provide a caring atmosphere and personalized learning; they fulfill multiple needs; they have the confidence of the people.

In the eyes of the people, the CBO's are their friends; however, the INS is the enemy, no matter what one's immigration status. The INS is the arm of the government which raids factories, herds people together for deportation, imprisons children, and breaks up families. If CBO's offer educational services with the INS as the monitoring agent, many immigrants would not feel comfortable in attending; and under these circumstances, many CBO's will not be willing to offer the educational services needed for these communities.

One recommendation, and it has been echoed across the country, is that the monitoring function for the educational program be subcontracted to other entities—state educational agencies or primary contractors. This would be an adaptation that would help to assure quality education. People must feel "confianza" or trust in an organization to come to it for learning. I think it is the idea of Congress to welcome these new immigrants and to offer them the opportunity to integrate themselves into this culture in an atmosphere free from fear and intimidation.

Next, I would like to speak to the content and testing components of the ESL/Civics program. Because the period allotted by law is really very short for learning a second language, we approve the regulation that candidates may qualify by showing they have completed 30 hours of a 60-hour course in a recognized program. We also agree with the criteria for language achievement of Section 245 a.1(t): "Minimal understanding of ordinary English means an applicant can satisfy basic survival needs and routine social demands. The person can handle jobs that involve following simple oral and very basic written communication." Many applicants will far exceed these minimal requirements. But since much of the immigrant community is older, and has not had the opportunity to pursue education or perhaps

even to become literate in their own language, we feel that the interpretation of this requirement is realistic and enlightened.

We find a contradiction, however, between the laudable attitude evident in the definition of minimal English knowledge and the requirements for literacy and citizenship tests outlined in Section 245a.3(b)(4)(iii) A and B: "An applicant's ability to read and write English shall be tested by excerpts from one or more parts of the Federal Textbooks on Citizenship"; and with regard to civics testing, "The test of a petitioner's knowledge and understanding of the history and form of government of the United States shall be given in the English language. The scope of the testing shall be limited to subject matter covered in the revised (1987) Federal Textbooks on Citizenship and to the review questions provided at the end of each chapter."

First—the history and form of government of the United States are far too complex to be answered in minimal English. Second—the area of testing—any part of the Federal Textbooks on Citizenship—is far too broad. I doubt that any of us here today could respond to every section of these texts, and certainly not in a foreign language. Too, these texts are written at a high educational level which will not have been reached by many of the applicants.

We feel that if these regulations are not amended, there will be great possibilities for abuse and, at best, great inequities in testing. We suggest that testing in civics be done in an applicant's native language, and further—that a basic curriculum be offered in U.S. history and government in a format accessible for study, perhaps 50 questions and answers signaling that information most essential to understand this country and the functioning of its democratic system. Again, this basic knowledge would be exceeded by most, but would offer the base line concepts which every new immigrant, at any educational level, must know.

TESTIMONY OF RICHARD REEDER, EXECUTIVE DIRECTOR, POLISH WELFARE ASSOCIATION, CHICAGO, IL

First of all, speaking on behalf of the Polish immigrant community whom my agency serves, I want to thank Senator Simon for his sponsorship in the Senate of the bill that was recently enacted that allows Polish nationals to adjust from their Extended Voluntary Departure status to the status of temporary resident. Since late March of this year, more than 650 people made this adjustment in the Chicago area alone.

During the first phase of the legalization program, more than 6,600 Poles became legalized in the Chicago metropolitan area. Poles, to a much greater degree than Hispanics, utilized the Qualified Designated Entities (Q.D.E.s). The two Polish Q.D.E.s, the Polish Welfare Association and the Polish American Congress, legalized about 3,600 people. When you count the Poles that were legalized by the Chicago affiliates of national organizations—Catholic Charities, Travelers and Immigrants Aid, and World Relief—the number rises above 4,000 total. Thus more than 60 percent of the Polish filings in the Chicago area were through Q.D.E.s.

What this represents is a tremendous trust between the legalization applicants and their community organizations. People feel a sense of connectedness with these organizations.

The Polish Welfare Association received a grant from the Joyce Foundation to determine our legalization clients needs and interests regarding the second phase of IRCA. Polish Welfare sent out 1,000 surveys to legalization clients. 526 people responded. Some of the results of this survey are as follows:

18 percent of the respondents rated their English speaking ability as good. 36 percent rated themselves as fair; and 46 percent rated themselves as poor.

85 percent of the respondents marked that they need the second phase classes to be scheduled for evenings and/or Saturdays.

98 percent of the respondents rated their knowledge of American government and American history as poor.

78 percent of the respondents expressed a preference for the American history and government component of the second phase class to be taught in Polish.

On June 21, 1988 Polish Welfare began a second phase class. Although we do not have a formal contract with the State, we wanted to get our clients enrolled in a course of study as quickly as possible. Our teacher's qualifications for the class and the curriculum are consistent with the recommendations of the INS consultant's report for second phase. We will be beginning a second class in two weeks.

We are hoping that Mr. A.D. Moyer, the INS District Director, will allow these hours to count as part of our clients total hours in their certified course of study.

Once again, I want to thank you, Senator Simon for your support and interest in the plight of not just Polish, but all immigrants, to our great nation.

Respectfully submitted.

TESTIMONY OF CHICAGO METROPOLITAN SANCTUARY ALLIANCE

Thank you for this opportunity to present written testimony regarding the second stage of the legalization process.

There are an estimated 80,000 Central Americans living in Chicago. The vast majority of them are undocumented, having arrived after the cutoff date of 1982. Within the legalization process, their needs are not being addressed.

Asylum rates for Guatemalans, despite the Guatemalan government's abysmal record on human rights, was 3.6 percent in FY 1987. The acceptance rate for asylum seekers from El Salvador was 3.7 percent. We have received no assurance that rates have gone up since then, despite the worsening human rights situation in both countries.

The Reagan's administration's policy in El Salvador has resulted in a vacuum of power in the political center in recent months, and the increasing polarization has resulted in a rise in death squad activities. The Sanctuary Alliance telex network receives alerts about disappearances, tortures and beatings on a constant basis. Eight years and \$3 billion tax dollars in aid to the Salvadoran military has only put us in danger of creating another situation like we endured in the early 'eighties, where entire populations suffered unendurable abuses of their right to life and freedom.

The Guatemalan military, on the other hand, continues to move displaced peasants into development poles and re-education camps. Given food, light and huts in a "model village", the peasants must participate with the Army in "civil patrols" and engage in a campaign aimed at re-orienting the hearts and minds of the peasants

toward respect for the military and fear of the "subversivos": those teachers, clerics, health workers and union organizers who have worked for human rights in one of the poorest nations of the Western hemisphere. The Guatemalan refugees living in Mexico will not return to their homeland until the model villages system is erased. Despite their lack of food, clothing and housing in Mexico, they are fearful that life in those villages will destroy their culture and deny them any hope for their ability to create their own destiny.

Thousands of towns in Guatemala are organized into "communities of resistance" which are in constant flight through the mountainous countryside. They have been doing their own health work, teaching their own children, and avoiding the army for years, and their numbers are increasing. In the cities, union organizing is being repressed and an opposition paper was recently shut down because of death threats against the publishers. Mayor Young of Atlanta has decided against training Guatemalan police, after having considered the human rights record of the country.

This is a short background on the situation in Guatemala and El Salvador. While the situation is not as desperate as it was in the early 'eighties, abuse of human rights is on the rise. It is the feeling of the Chicago Metropolitan Sanctuary Alliance, then, that this is not the time for refugees from Central America to be deported. On the contrary, both Guatemalans and Salvadorans must be granted asylum until such time as there is peace and stability in their homelands.

Your support for the Moakley-DeConcini bill indicates sensitivity to the plight of Salvadorans, and yet Moakley-DeConcini does not go far enough; it sets up requirements that asylum-seekers from other countries do not have to meet.

Perhaps our main objection to Moakley-DeConcini, however, is that it does not address the needs of Guatemalans living in exile in this country. Guatemala has always maintained a more hidden war, supported with far fewer U.S. tax dollars than El Salvador's civil war, but it has been no less devastating to the 440 Indian villages which have been wiped off the map, the 200,000 orphaned children, and the families of the 100,000 who have been killed or "disappeared". We urge you from your position of leadership in the Senate to take strong steps toward the granting of Extended Voluntary Departure to Guatemalans.

Threats to I.N.S. raids will not encourage Guatemalans to return to their homeland—their lives are threatened to a greater extent in Guatemala than they are threatened here by the I.N.S. What will encourage them to return home is peace in their country. In the meantime, they need protection under the law, not harassment by it.

The Supreme Court ruled in 1987 that applicants for asylum need show only that "persecution is a reasonable possibility", not that it is likely. Based on what we know of the random and indiscriminate violence in their country, most Guatemalans are refugees under this ruling, qualified for that protection under the law.

We rejoice with those who have made it to the second stage of legalization. We ask you to remember those who were left out of the first stage and will continue to be condemned to life in the world's shadows unless we can open our hearts to them in that American tradition of generosity and concern for human rights.

As a community of faith, we ask that God's blessings be on your work as you consider those who have been deprived their rightful place in the world.

Sincerely,

Rev. PAULA R. BIDDLE.

NEW JERSEY TOURNAMENT OF CHAMPIONS

● Mr. LAUTENBERG. Mr. President, I rise to honor the New Jersey Tournament of Champions. Founded in 1972, this organization promotes athletic competitions for special education children and is the only program of its kind in the United States.

The New Jersey Tournament of Champions' philosophy is to provide meaningful athletic competition with the belief that through athletics, development of physical skills and cognitive skills can contribute to a positive self-image, thus, enabling the young person to experience a more fulfilling life.

By encouraging participation in athletics; learning disabled, as well as orthopedically handicapped children have an opportunity to compete in an area that many have never experienced success in before. This participation enables them to explore, learn to win, and to compete even without winning.

The children are able to use their potential by emphasizing their ability, not their disability. The program also involves family members and is a meaningful way for them to encourage their children to experience a new challenge, thus enriching all their lives.

I commend these outstanding young people for their courage, determination, and sportsmanship. Their parents, teachers, and coaches deserve recognition as well for their encouragement and guidance.

Congratulations to the many individuals who have worked tirelessly for this worthwhile program. I extend my warmest wishes for the continued success of the New Jersey Tournament of Champions and to the fine young people whom this worthwhile program has benefited.●

DEFENSE BILL VETO STRATEGY

● Mr. KASTEN. Mr. President, 2 weeks ago we had an informative floor debate regarding the Defense Authorization Conference. I think the result of this conference is a substantial incentive for the President to veto the authorization.

The issues in dispute include arms control, reductions to strategic defense initiative funding, and what many consider a misguided approach to strategic modernization.

This week the Washington Times featured an article by Ambassador Kenneth Adelman providing an excellent

argument for a Presidential veto of this measure.

I request that this article be entered into the RECORD.

The article follows:

DEFENSE BILL VETO STRATEGY

If Ronald Reagan doesn't want the Dukakis administration to begin now, while he's still in office, he should veto the defense authorization bill pronto. And if Mr. Reagan wants a Bush administration later, he should blast this bill as embodying Michael Dukakis' views more than his. A rousing veto message would catapult defense into a major campaign issue, which it should be.

The politics here are clear. So as not to offend, Democrats decided not to inform. They crafted a party platform pallid if not pap, with its sing-song advice that we "neither police the world nor retreat from it" and be "neither gun-shy nor trigger-happy." Polonius sounded wiser.

These Democratic defense ditties disguised their real defense designs, which became plain in this bill.

That's why 19 out of 21 Republicans on the House Armed Services Committee, along with most Republicans on that Senate committee, assailed the legislation. And that's why the Republican Platform Committee would be left high and dry—having no differences to draw with Democrats on defense—if Mr. Reagan lets the bill become law.

The merits here are clear, too. This bill again slashes overall defense spending, by 2 percent after inflation. It's Washington's best-kept secret that the U.S. defense budget actually declined four out of the eight Reagan years. Dukakis delegates defeated a call for defense cuts in Atlanta, but his allies did just that when given the opportunity in Washington.

The Strategic Defense Initiative also is on the butcher block, cut for the first time below last year's level. House Democrats bragged how they "dramatically rewrote the SDI, slashing funds for space-based defenses" and left "by far the smallest increase overall" since the SDI program began. They echo Michael Dukakis by boasting, "In essence, that takes the stars out of 'star wars.'"

This chain-saw massacre of SDI—along with defunding its promising space-based interceptor research from the \$300 million requested to \$85 million—should be enough to send Mr. Reagan into orbit.

More damage is done to prime strategic programs. These restrictions could, in the words of Defense Secretary Frank Carlucci, "delay the deployment of a survivable Peacekeeper ICBM"—a missile Mr. Dukakis deeply dislikes and Mr. Reagan proudly promotes—and leave "us without any viable mobile ICBM program" at all.

Finally, the bill mandates a study on how to ban tests of missiles in a depressed trajectory. Then it slaps on a moratorium for such tests, without waiting for the study results or for the president to propose this notion, if sensible and verifiable, to the Soviets.

It's bad enough for Congress to accept an arms control offer by the Soviets, as on nuclear testing. It's worse for Congress to make its own offer to the Russians. Doing so, as Mr. Carlucci writes, "constitutes congressional interference with the constitutional responsibility of the executive branch to conduct foreign policy."

This bill broadcasts what the Democrats hid from view in Atlanta: a desire for unilat-

eral defense cuts. This hurts. It hurts our future security, and it hurts our negotiations in Geneva. As Armed Services Committee member Sen. Pete Wilson, California Republican, said on the Senate floor, "The Soviets were able to gain more favorable concessions from the defense authorization bill this year than they've been able to get in Geneva over the last eight years."

The argument can and will be made that if Mr. Reagan vetoes this bill, defense cuts could get worse in later legislation. That could be true and may fall on receptive ears.

Long accused of being trigger-happy, Mr. Reagan has actually been gun-shy about drawing the veto. He vetoed fewer bills in his first four years than President Ford vetoed in two; Mr. Reagan has vetoed about half the number Dwight Eisenhower vetoed during his presidency.

Should Democrats threaten, or even go ahead and make deeper defense cuts after Mr. Reagan's veto, the president should stand tall and say, "Go ahead, make my day!" For that would make their true anti-defense plans even plainer.

Then Vice President George Bush would have the clear-cut defense issue he needs. Then Mr. Reagan could leave office, as he entered it, proud that he, at least, did everything in his power to make America stronger.●

SCHOLARLY SUPPORT FOR AN INDEPENDENT BOARD OF VETERANS' APPEALS

● Mr. MURKOWSKI. Mr. President, on July 11, the Senate engaged in what I believe was a fresh and lively debate on the issue of judicial review of Veterans' Administration decisions.

As my colleagues recall, I offered an amendment in the course of that debate which sought a compromise on this divisive issue. That amendment—based on S. 2292, The Veterans' Judicial Review Act, which I introduced in April of this year—would effectively create an independent Board of Veterans' Appeals to deal with factual issues in claims for benefits, and, at the same time, provide rigorous review in the U.S. Courts of Appeals of VA rules and regulations.

While not adopted, I believe the substantial support demonstrated for my amendment sent a message to the House that, after a decade of disagreement, compromise was indeed possible. My belief was reinforced when, 2 days later, House Veterans' Affairs Committee Chairman MONTGOMERY and Ranking Minority Member SOLOMON introduced—at the request of the American Legion—H.R. 5039, a bill which takes the same approach as S. 2292: review of VA rules and regulations in Federal courts, review of facts in an independent Board of Veterans' Appeals. I look forward to the results of the House committee's work on this important legislation.

In the course of my work on this compromise, Mr. President, I have always felt that the approach of S. 2292 makes good practical sense: It lets lawyers and courts do what they

do best—argue and decide issues of law—and lets an executive agency do what it does best—decide hundreds of thousands of factual cases arising under a very special benefits program. I was pleased that this approach enjoyed the support of the Disabled American Veterans, the Veterans of Foreign Wars, and the American Legion.

I was also pleased with the support S. 2292 received from the legal community, particularly the Judicial Conference of the United States, which speaks for the Federal bench, and Prof. Jerry Mashaw of Yale Law School. These experts concluded that it makes more sense to focus on full utilization of the administrative process rather than simply shifting a large number of cases into the Federal court system. Our goal, after all, should not be procedure for its own sake, but fair decisions for our veterans. Along with these legal scholars, I believe that an independent Board of Veterans' Appeals is a way to reach that goal.

Subsequent to our debate, it appears that other legal scholars are voicing opinions on this important issue.

Today I would like to share with my colleagues a particularly thoughtful piece from the legal community, an article from the spring 1988 issue of the *Administrative Law News*, a publication of the Administrative Law Section of the American Bar Association. The author is one of the leading legal scholars in the area of Federal disability programs, President Paul R. Verkuil of the College of William and Mary.

In this article, President Verkuil discusses "[t]he question of how best to handle review of disability cases," with particular focus on the VA system. Describing the VA disability program as "an informal, non-adversary system that decides large numbers of cases at low cost," he observes that "it has not been shown to be seriously deficient or error prone." His conclusion as to the place to start echoes the approach of S. 2292:

An independent, presidentially appointed Article I VA disability court (a reformed BVA, in other words) could do much to improve [the] administrative process, without at the same time burdening the judicial process. On the record administrative appeals with well reasoned opinions could resolve most disputes and focus legal issues for judicial resolution. In this setting, explicit court of appeals review only of legal and constitutional claims would be an adequate and unburdensome first step, since some of that occurs now anyway.

Coming from a scholar such as President Verkuil, I think the idea of an independent Board of Veterans' Appeals is worth considering, particularly if we go to conference on judicial review this Congress. I urge my colleagues to read this important analysis.

Mr. President, I ask that President Verkuil's article be printed in the *RECORD*.

The article follows:

WHICH ALTERNATIVE?

(By Paul R. Verkuil)

The question of how best to handle review of disability cases casts a broad shadow. At one extreme, it touches on the question of what the courts do best, since if the judiciary devotes time to disability matters it cannot devote time (or cannot devote as much time) to other matters to which it may be better suited. This is the concern of Justice Scalia (expressed to the ABA in February 1987) which has recently been echoed by Judge Breyer (in testimony on April 28, 1988, before the Senate Committee on Veterans Affairs). At the other extreme, it implicates the issue of how well the administrative process decides the matter in the first instance. Indeed, it is that question which should interest us because this Section should live by the credo that getting it right initially is a far superior process to correcting errors in review. We also have an investment in the discussion over whether review by specialized administrative courts might be preferable to review by the generalized federal system.

WHAT HAVE WE LEARNED?

About ten years ago, I participated in a detailed study of the Social Security disability process led by Professor Jerry Mashaw. It was a bottom-up study with empirical and social science components that taught us how disability decisions were actually made. A big problem then (as it is now) was inconsistency between and among administrative law judges in reviewing state disability determinations. Consistency (or uniformity) of result was the elusive goal. Only after achieving uniformity could one approach the question of accuracy, the getting-it-right-the-first-time standard to which effective decision systems aspire. The study suggested earlier face-to-face decisions at the state level, more claimant representation (legal or nonlegal) and the selected use of ALJ panels to overcome the inconsistency inherent in single judge decisions. Mashaw later elaborated on these questions in *Bureaucratic Justice* (Yale 1983), where he tried to present a system that would "give bureaucracy a human face."

A few years later, I was privileged to be a member of the Council on the Role of the Courts, which sought to formulate an *a priori* answer to the difficult question of what kinds of cases are best suited to resolution by the courts. The Council approached this answer by cataloging the strengths and weaknesses of the courts as decisional bodies and identifying the kinds of cases that would most benefit from resolution by them. Among its findings were that public benefit cases with repetitive fact situations "not calling for particularized consideration of legal issues in each case" were contraindicated for judicial resolution.

In light of these considerations, the current debate over judicial review of Veterans Administration disability claims deserves our close attention. The VA disability system has long been one of the few government programs administered largely outside the purview of the judicial system. Many would like to keep it that way. But given the push for judicial intervention generally, led in substantial measure by the ABA itself, and the fact that Social Security disability claims are reviewed in the federal courts, it is not surprising that the moment of truth

for unreviewed VA cases may be at hand. Before rushing to join that bandwagon, however, this Section should explore the alternatives.

The VA disability program is an informal, non-adversary system that decides large numbers of cases at low cost. Because it is a system free from judicial oversight, it has generated suspicion. Nevertheless, it has not been shown to be seriously deficient or error prone. Claimants are represented (albeit not usually by lawyers but by veterans claims representatives) and the initial decision maker consists of a panel (rating board) with medical and legal expertise. As mentioned above, these are the characteristics (early face-to-face consideration, with representation, and with decisions made by a panel) that were urged as improvements to the Social Security disability process. Claimants are entitled to appeal rating board decisions to the Board of Veterans Appeals (BVA), which also has medical and technical as well as legal expertise. Under current law, the BVA is the last stop, and that abrupt end frustrates some claimants and their representatives.

AN INDEPENDENT BVA?

But the alternative need not be automatic judicial review. Reform of the BVA itself may be a sensible first step. As presently constituted, the BVA is of limited utility to the administrative process. Its decisions are not published and are of no real precedential value. Thus neither claimants nor the rating boards themselves can learn from their errors. The corrective as well as psychological benefits of administrative review are lost in this setting. An independent presidentially appointed Article I VA disability court (a reformed BVA, in other words) could do much to improve this administrative process, without at the same time burdening the judicial process. On the record administrative appeals with well reasoned opinions could resolve most disputes and focus legal issues for judicial resolution. In this setting, explicit court of appeals review only of legal and constitutional claims would be an adequate and unburdensome first step, since some of that occurs now anyway.

Even if the move to BVA independence does not solve all problems of accuracy, consistency and fairness in the award of VA disability benefits, this is still the place to start. There have been no detailed studies showing the VA to be a deficient bureaucracy, and if its shortcomings can be addressed in a relatively modest fashion, that option should be exercised first and its effects monitored. A rush to district court review of facts, as in the SSA disability situation, could burden the courts with cases that are by and large ideally suited for administrative resolution. At this juncture, to do more could have negative consequences for the administrative and the judicial processes. At the same time, a careful empirical study of the VA disability process, similar in scope to the SSA disability study mentioned earlier, should be commissioned. Such a study would go a long way towards understanding the strengths as well as the weaknesses of the informal VA decision process now in place.

A further advantage of experimenting with an independent VA disability court is that it could lead to a more broadly conceived federal disability court down the road. That is too important an opportunity to ignore. The problem with changing the current system of judicial review for the

SSA disability cases is the perception, whether accurate or not, that administrative justice is second class justice. If a disability decision system such as the VA's can be designed to counter that impression, it could well overcome objections to broader applications in the future. The notion that accurate and fair decisions can only be achieved in the federal court is a perilous and costly one in our system. The Section of Administrative Law should be encouraging the ABA, the Veterans Administration, and the Congress to rethink how the administrative process can be made to work most effectively in the disability benefits context.●

ORDER TO PLACE CERTAIN MEASURES ON THE CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that, when the Senate receives from the House H.R. 4675, to extend drug abuse prevention activities under the Domestic Volunteer Service Act, and H.R. 4676, to extend the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986, both bills be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, I inquire of the distinguished Republican leader as to whether or not the following calendar orders on the Executive Calendar have been cleared on his side: On page 3, under Department of Housing and Urban Development, Calendar Orders Nos. 774 and 775; on page 6, under the Judiciary, Calendar Order No. 797; and on page 8, under Export-Import Bank of the United States, Calendar Order No. 809.

Mr. DOLE. Yes, those have been cleared on this side.

Mr. BYRD. I thank my friend.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the aforementioned nominations; that they be considered en bloc, confirmed en bloc, the motion to reconsider en bloc be laid on the table, and that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Timothy L. Coyle, of California, to be an Assistant Secretary of Housing and Urban Development, vice Stephen May, resigned.

Jack R. Stokvis, of New York, to be an Assistant Secretary of Housing and Urban Development, vice Alfred Clinton Moran, resigned.

THE JUDICIARY

John O. Colvin, of Virginia, to be a judge of the U.S. Tax Court for a term expiring 15

years after he takes office, vice Samuel B. Sterrett, retired.

EXPORT-IMPORT BANK OF THE UNITED STATES

Richard C. Houseworth, of Arizona, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term of 4 years expiring January 20, 1991, vice Richard W. Heldridge, resigned.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BYRD. Mr. President, if the Republican leader has no objection, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 843 on the Calendar of Business.

Mr. DOLE. I have no objection.

DESIGNATING THE "MARTIN LUTHER KING, JR., FEDERAL BUILDING"

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3811) to designate the Federal building located at 50 Spring Street, Southwest, Atlanta, Georgia, as the "Martin Luther King, Jr., Federal Building".

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 3811) was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMUNITY AND MIGRANT HEALTH CENTERS AMENDMENTS

Mr. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2385.

The Presiding Officer laid before the Senate the amendments of the House of Representatives.

Resolved, That the bill from the Senate (S. 2385) entitled "An Act to amend title III of the Public Health Service Act to revise and extend the programs of assistance for primary health care and the program of health services for the homeless, and for

other purposes", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community and Migrant Health Centers Amendments of 1988".

SEC. 2. MIGRANT HEALTH CENTERS.

(a) ADDITION OF PATIENT CASE MANAGEMENT SERVICES TO LIST OF PROVIDED SERVICES.—Section 329(a)(1) of the Public Health Service Act (42 U.S.C. 254b(a)(1)) is amended—

(1) by striking "and" at the end of subparagraph (F) and inserting "and" at the end of subparagraph (G); and

(2) by inserting after subparagraph (G) the following new subparagraph:

"(H) patient case management services (including outreach, counseling, referral, and follow-up services)."

(b) ADDITION OF APPROPRIATE HEALTH NEEDS TO LIST OF SUPPLEMENTAL HEALTH SERVICES.—Section 329(a)(7) of the Public Health Service Act (42 U.S.C. 254b(a)(7)) is amended—

(1) by striking "and" at the end of subparagraph (K);

(2) by striking the period at the end of subparagraph (L) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(M) other services appropriate to meet the health needs of the population served by the migrant health center involved."

(c) PROCEDURES FOR ALTERATION OF DETERMINATION OF HIGH IMPACT AREA.—Section 329(d)(1)(A) of the Public Health Service Act (42 U.S.C. 254b(d)(1)(A)) is amended—

(1) by inserting "(i)" after the subparagraph designation; and

(2) by adding at the end the following new clause:

"(ii) If the Secretary makes a determination that an area is a high impact area, the Secretary may alter the determination only after providing to the grantee under subclause (i) for the area, and to other interested entities in the area, reasonable notice with respect to such termination and a reasonable opportunity to offer information with respect to such termination."

(d) REQUIREMENT OF FEES CONSISTENT WITH LOCALLY PREVAILING RATES.—Section 329(f)(3)(F)(i) of the Public Health Service Act (42 U.S.C. 254b(f)(3)(F)(i)) is amended—

(1) by inserting after "provision of its services" the following: "consistent with locally prevailing rates or charges and"; and

(2) by inserting "has prepared" after "operation and".

(e) AUTHORITY WITH RESPECT TO EXPANSION OF CENTERS.—Section 329 of the Public Health Service Act (42 U.S.C. 254b) is amended—

(1) in the second sentence of subsection (c)(1)(A), by striking "acquisition and modernization" and inserting "acquisition, expansion, and modernization";

(2) in the matter after and below subsection (c)(1)(B)(iv), by striking "acquisition and modernization" and inserting "acquisition, expansion, and modernization";

(3) in the matter after and below subsection (d)(1)(B)(iv), by striking "acquisition and modernization" and inserting "acquisition, expansion, and modernization";

(4) in the matter after and below subsection (d)(1)(C)(iii), by striking "acquisition and modernization" and inserting "acquisition, expansion, and modernization";

(5) in subsection (d)(2), by striking "acquiring and modernizing" and inserting

"acquiring, expanding, and modernizing"; and

(6) in subsection (d)(4)(B)(ii)(III), by striking "construct and modernize" and inserting "construct, expand, and modernize".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 329(h) of the Public Health Service Act (42 U.S.C. 254b(h)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) For the purposes of subsections (c) through (e), there are authorized to be appropriated \$46,000,000 for fiscal year 1989, \$48,000,000 for fiscal year 1990, and \$50,000,000 for fiscal year 1991.

"(B) Of the amounts appropriated pursuant to subparagraph (A) for a fiscal year, the Secretary may obligate for grants and contracts under subsection (c)(1) not more than 2 percent, for grants under subsection (d)(1)(C) not more than 5 percent, and for contracts under subsection (e) not more than 10 percent."; and

(2) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2)(A) For the purpose of carrying out subparagraph (B), there are authorized to be appropriated \$1,100,000 for fiscal year 1989, \$1,200,000 for fiscal year 1990, and \$1,300,000 for fiscal year 1991.

"(B) The Secretary may make grants to migrant health centers to assist such centers in—

"(i) providing services for the reduction of the incidence of infant mortality; and

"(ii) developing and coordinating referral arrangements between migrant health centers and other entities for the health management of infants and pregnant women.

"(C) In making grants under subparagraph (B), the Secretary shall give priority to migrant health centers providing services in any catchment area in which there is a substantial incidence of infant mortality or in which there is a significant increase in the incidence of infant mortality."

SEC. 3. COMMUNITY HEALTH CENTERS.

(a) ADDITION OF PATIENT CASE MANAGEMENT SERVICES TO LIST OF PROVIDED SERVICES.—Section 330(a)(1) of the Public Health Service Act (42 U.S.C. 254c(a)(1)) is amended—

(1) by striking "and" at the end of paragraph (4) and inserting "and" at the end of paragraph (5); and

(2) by inserting after paragraph (5) the following new paragraph:

"(6) patient case management services (including outreach, counseling, referral, and follow-up services)."

(b) ADDITION OF APPROPRIATE HEALTH NEEDS TO LIST OF SUPPLEMENTAL HEALTH SERVICES.—Section 330(b)(2) of the Public Health Service Act (42 U.S.C. 254c(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (L);

(2) by striking the period at the end of subparagraph (M) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(N) other services appropriate to meet the health needs of the medically underserved population served by the community health center involved."

(c) REQUIREMENT OF NOTICE AND COMMENT WITH RESPECT TO REGULATIONS ON MEDICALLY UNDERSERVED POPULATIONS.—Section 330(b)(4) of the Public Health Service Act (42 U.S.C. 254c(b)(4)) is amended by inserting after and below subparagraph (B) the following:

"The Secretary may modify the criteria established in regulations issued under this paragraph only after affording public notice

and an opportunity for comment on any such proposed modifications."

(d) REQUIREMENT OF FEES CONSISTENT WITH LOCALLY PREVAILING RATES.—Section 330(e)(3)(F)(i) of the Public Health Service Act (42 U.S.C. 254c(e)(3)(F)(i)) is amended—

(1) by inserting after "provision of its services" the following: "consistent with locally prevailing rates or changes and"; and

(2) by inserting "has prepared" after "operation and".

(e) AUTHORITY WITH RESPECT TO EXPANSION OF CENTERS.—Section 330 of the Public Health Service Act (42 U.S.C. 254c) is amended—

(1) in the second sentence of subsection (c)(1), by striking "acquisition and modernization" and inserting "acquisition, expansion, and modernization";

(2) in the matter after and below subsection (d)(1)(C)(iii), by striking "acquisition and modernization" and inserting "acquisition, expansion, and modernization";

(3) in subsection (d)(2), by striking "acquiring and modernizing" and inserting "acquiring, expanding, and modernizing"; and

(4) in subsection (d)(4)(B)(ii)(III), by striking "construct and modernize" and inserting "construct, expand, and modernize".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 330(g) of the Public Health Service Act (42 U.S.C. 254c(g)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) For the purpose of payments under grants under this section, there are authorized to be appropriated \$408,000,000 for fiscal year 1989, \$423,000,000 for fiscal year 1990, and \$437,000,000 for fiscal year 1991."

(2)(A) by redesignating subparagraphs (A) and (B) of paragraph (2) as clauses (i) and (ii), respectively;

(B) by redesignating paragraph (2) as subparagraph (B);

(C) in paragraph (1)(B)(i) (as so redesignated), by striking "this section" and inserting "paragraph (1)"; and

(D) in paragraph (1)(B)(ii) (as so redesignated), by striking "this section" and inserting "paragraph (1)"; and

(3) by inserting after paragraph (1) the following new paragraph:

"(2)(A) For the purpose of carrying out subparagraph (B), there are authorized to be appropriated \$19,400,000 for fiscal year 1989, \$20,000,000 for fiscal year 1990, and \$21,000,000 for fiscal year 1991.

"(B) The Secretary may make grants to community health centers to assist such centers in—

"(i) providing services for the reduction of the incidence of infant mortality; and

"(ii) developing and coordinating referral arrangements between community health centers and other entities for the health management of infants and pregnant women.

"(C) In making grants under subparagraph (B), the Secretary shall give priority to community health centers providing services to any medically underserved population among which there is a substantial incidence of infant mortality or among which there is a significant increase in the incidence of infant mortality."

SEC. 4. REQUIREMENT WITH RESPECT TO FRONTIER AREAS.

Section 330 of the Public Health Service Act (42 U.S.C. 254c) is amended by adding at the end the following new subsection:

"(j) In making grants under this section, the Secretary shall give special consideration to the unique needs of frontier areas."

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1988, or upon the date of the enactment of this Act, whichever occurs later.

Amend the title so as to read: "An Act to amend the Public Health Service Act to revise and extend the programs establishing migrant health centers and community health centers."

Mr. BYRD. Mr. President, I move the Senate concur in the House amendment with an amendment by Mr. KENNEDY, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. KENNEDY, proposes an amendment numbered 2776.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the House Amendment to S. 2385 insert the following:

SECTION 1. SHORT TITLE, REFERENCE TO ACT.

(a) SHORT TITLE.—This Act may be cited as the "Community and Migrant Health Centers Amendments of 1988".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. MIGRANT HEALTH CENTERS.

(a) ADDITION OF PATIENT CASE MANAGEMENT SERVICES TO LIST OF PROVIDED SERVICES.—Section 329(a)(1) (42 U.S.C. 254b(a)(1)) is amended—

(1) by striking "and" at the end of subparagraph (F) and inserting "and" at the end of subparagraph (G); and

(2) by inserting after subparagraph (G) the following new subparagraph:

"(H) patient case management services (including outreach, counseling, referral, and follow-up services)."

(b) ADDITION OF APPROPRIATE HEALTH NEEDS TO LIST OF SUPPLEMENTAL HEALTH SERVICES.—Section 329(a)(7) (42 U.S.C. 254b(a)(7)) is amended—

(1) by striking "and" at the end of subparagraph (K);

(2) by striking the period at the end of subparagraph (L) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(M) other services appropriate to meet the health needs of the population served by the migrant health center involved."

(c) PROCEDURES FOR ALTERATION OF DETERMINATION OF HIGH IMPACT AREA.—Section 329(d)(1)(A) (42 U.S.C. 254b(d)(1)(A)) is amended—

(1) by inserting "(i)" after "(A)"; and

(2) by adding at the end the following new clause:

"(ii) If the Secretary makes a determination that an area is a high impact area, the Secretary may alter the determination only after providing to the grantee under subclause (i) for the area, and to other interested entities in the area, reasonable notice

with respect to such determination and a reasonable opportunity to offer information with respect to such determination."

(d) **REQUIREMENT OF FEES CONSISTENT WITH LOCALLY PREVAILING RATES.**—Section 329(f)(3)(F)(i) (42 U.S.C. 254b(f)(3)(F)(i)) is amended—

(1) by inserting after "provision of its services" the following: "consistent with locally prevailing rates or charges and"; and

(2) by inserting "has prepared" after "operation and".

(e) **AUTHORITY WITH RESPECT TO EXPANSION AND CONSTRUCTION OF CENTERS.**—

(1) Section 329 (42 U.S.C. 254b) is amended—

(A) in the second sentence of subsection (c)(1)(A), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings and construction of new buildings";

(B) in the matter after and below subsection (c)(1)(B)(iv), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings, construction of new buildings";

(C) in the matter after and below subsection (d)(1)(B)(iv), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings, construction of new buildings";

(D) in the matter after and below subsection (d)(1)(C)(iii), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings, construction of new buildings";

(E) in subsection (d)(2), by striking "acquiring and modernizing existing buildings" and inserting "acquiring, expanding, and modernizing existing buildings and constructing new buildings"; and

(F) in subsection (d)(4)(B)(ii)(III), by striking "construct and modernize" and inserting "construct, expand, and modernize".

(2) Section 329(f) (42 U.S.C. 254b(f)) is amended by adding at the end the following:

"(7) The Secretary may make a grant under subsection (c) or (d) for the construction of new buildings for a migrant health center or a migrant health program only if the Secretary determines that appropriate facilities are not available through acquiring, modernizing, or expanding existing buildings and that the entity to which the grant will be made has made reasonable efforts to secure from other sources funds, in lieu of the grant, to construct such facilities."

(f) **AMOUNT OF GRANTS FOR COSTS OF OPERATION.**—

(1) Section 329(d)(4)(A)(i) (42 U.S.C. 254b(d)(4)(A)(i)) is amended to read as follows:

"(i) State, local, and other operational funding, and".

(2) Section 329(d)(4)(B) (42 U.S.C. 254b(d)(4)(B)) is amended by striking out "may retain such an amount (equal to not less than one-half of the amount by which such sum exceeded such costs) as the center can demonstrate to the satisfaction of the Secretary will be used to enable the center" in the matter immediately following clause (ii) and inserting in lieu thereof "shall be entitled to retain the additional amount of fees, premiums, and other third party reimbursements as the center will use".

(g) **ADMINISTRATION OF PROGRAMS.**—Section 329 (42 U.S.C. 254b) is amended by adding at the end the following:

"(i) The Secretary may delegate the authority to administer the programs authorized by this section to any office within the Service, except that the authority to enter into, modify, or issue approvals with respect to grants or contracts may be delegated only within the central office of the Health Resources and Services Administration."

(h) **AUTHORIZATION OF APPROPRIATIONS.**—Section 329(h) (42 U.S.C. 254b(h)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) For the purposes of subsections (c) through (e), there are authorized to be appropriated \$48,500,000 for fiscal year 1989 and such sums as may be necessary for fiscal years 1990 and 1991.

"(B) Of the amounts appropriated pursuant to subparagraph (A) for a fiscal year, the Secretary may obligate for grants and contracts under subsection (c)(1) not more than 2 percent, for grants under subsection (d)(1)(C) not more than 5 percent, and for contracts under subsection (e) not more than 10 percent."; and

(2) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2)(A) For the purpose of carrying out subparagraph (B), there are authorized to be appropriated \$1,500,000 for fiscal year 1989, \$2,000,000 for fiscal year 1990, and \$2,500,000 for fiscal year 1991.

"(B) The Secretary may make grants to migrant health centers to assist such centers in—

"(i) providing services for the reduction of the incidence of infant mortality; and

"(ii) developing and coordinating referral arrangements between migrant health centers and other entities for the health management of infants and pregnant women.

"(C) In making grants under subparagraph (B), the Secretary shall give priority to migrant health centers providing services in any catchment area in which there is a substantial incidence of infant mortality or in which there is a significant increase in the incidence of infant mortality."

SEC. 3. COMMUNITY HEALTH CENTERS.

(a) **ADDITION OF PATIENT CASE MANAGEMENT SERVICES TO LIST OF PROVIDED SERVICES.**—Section 330(a)(1) (42 U.S.C. 254c(a)(1)) is amended—

(1) by striking "and" at the end of paragraph (4) and inserting "and" at the end of paragraph (5); and

(2) by inserting after paragraph (5) the following new paragraph:

"(6) patient case management services (including outreach, counseling, referral, and follow-up services)."

(b) **ADDITION OF APPROPRIATE HEALTH NEEDS TO LIST OF SUPPLEMENTAL HEALTH SERVICES.**—Section 330(b)(2) (42 U.S.C. 254c(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (L);

(2) by striking the period at the end of subparagraph (M) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(N) other services appropriate to meet the health needs of the medically underserved population served by the community health center involved."

(c) **REQUIREMENT OF NOTICE AND COMMENT WITH RESPECT TO REGULATIONS ON MEDICALLY UNDERSERVED POPULATIONS.**—Section 330(b)(4) (42 U.S.C. 254c(b)(4)) is amended by inserting after and below subparagraph (B) the following:

"The Secretary may modify the criteria established in regulations issued under this paragraph only after affording public notice and an opportunity for comment on any such proposed modifications."

(d) **REQUIREMENT OF FEES CONSISTENT WITH LOCALLY PREVAILING RATES.**—Section 330(e)(3)(F)(i) (42 U.S.C. 254c(e)(3)(F)(i)) is amended—

(1) by inserting after "provision of its services" the following: "consistent with locally prevailing rates or charges and"; and

(2) by inserting "has prepared" after "operation and".

(e) **AUTHORITY WITH RESPECT TO EXPANSION AND CONSTRUCTION OF CENTERS.**—

(1) Section 330 (42 U.S.C. 254c) is amended—

(A) in the second sentence of subsection (c)(1), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings and construction of new buildings";

(B) in the matter after and below subsection (d)(1)(C)(iii), by striking "acquisition and modernization of existing buildings" and inserting "acquisition, expansion, and modernization of existing buildings, construction of new buildings";

(C) in subsection (d)(2), by striking "acquiring and modernizing existing buildings" and inserting "acquiring, expanding, and modernizing existing buildings and constructing new buildings"; and

(D) in subsection (d)(4)(B)(ii)(III), by striking "construct and modernize" and inserting "construct, expand, and modernize".

(2) Section 330(e) (42 U.S.C. 254c(e)) is amended by adding at the end the following:

"(6) The Secretary may make a grant under subsection (c) or (d) for the construction of new buildings for a community health center only if the Secretary determines that appropriate facilities are not available through acquiring, modernizing, or expanding existing buildings and that the entity to which the grant will be made has made reasonable efforts to secure from other sources funds, in lieu of the grant, to construct such facilities."

(f) **AMOUNT OF GRANTS FOR COSTS OF OPERATION.**—

(1) Section 330(d)(4)(A)(i) (42 U.S.C. 254c(d)(4)(A)(i)) is amended to read as follows:

"(i) State, local, and other operational funding, and".

(2) Section 330(d)(4)(B) (42 U.S.C. 254c(d)(4)(B)) is amended by striking out "may retain such an amount (equal to not less than one-half of the amount by which such sum exceeded such costs) as the center can demonstrate to the satisfaction of the Secretary will be used to enable the center" in the matter immediately following clause (ii) and inserting in lieu thereof "shall be entitled to retain the additional amount of fees, premiums, and other third party reimbursements as the center will use".

(g) **ADMINISTRATION OF PROGRAMS.**—Section 330 (42 U.S.C. 254c) is amended by adding at the end the following:

"(j) The Secretary may delegate the authority to administer the programs authorized by this section to any office within the Service, except that the authority to enter into, modify, or issue approvals with respect to grants or contracts may be delegated only within the central office of the Health Resources and Services Administration."

(h) AUTHORIZATION OF APPROPRIATIONS.—Section 330(g) (42 U.S.C. 254c(g)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) For the purpose of payments under grants under this section, there are authorized to be appropriated \$440,000,000 for fiscal year 1989 and such sums as may be necessary for fiscal years 1990 and 1991."

(2)(A) by redesignating subparagraphs (A) and (B) of paragraph (2) as clauses (i) and (ii), respectively;

(B) by redesignating paragraph (2) as subparagraph (B);

(C) in paragraph (1)(B)(i) (as so redesignated), by striking "this section" and inserting "paragraph (1)"; and

(D) in paragraph (1)(B)(ii) (as so redesignated), by striking "this section" and inserting "paragraph (1)"; and

(3) by inserting after paragraph (1) the following new paragraph:

"(2)(A) For the purpose of carrying out subparagraph (B), there are authorized to be appropriated \$25,000,000 for fiscal year 1989, \$30,000,000 for fiscal year 1990, and \$35,000,000 for fiscal year 1991.

"(B) The Secretary may make grants to community health centers to assist such centers in—

"(i) providing services for the reduction of the incidence of infant mortality; and

"(ii) developing and coordinating referral arrangements between community health centers and other entities for the health management of infants and pregnant women.

"(C) In making grants under subparagraph (B), the Secretary shall give priority to community health centers providing services to any medically underserved population among which there is a substantial incidence of infant mortality or among which there is a significant increase in the incidence of infant mortality."

SEC. 4. REQUIREMENT WITH RESPECT TO FRONTIER AREAS.

Section 330 (42 U.S.C. 254c) is amended by adding at the end the following new subsection:

"(j) In making grants under this section, the Secretary shall give special consideration to the unique needs of frontier areas."

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1988, or upon the date of the enactment of this Act, whichever occurs later.

Mr. KENNEDY. Mr. President, I am pleased to offer this amendment to S. 2385, the Family Health Services Amendments of 1988. This legislation reauthorizes the Community and Migrant Health Centers Program. This legislation will provide access to medical care for many of our Nation's poor and low-income citizens. It has already received the support of my colleagues in the Senate and House of Representatives. The amendment I offer today resolves the minor differences between the reauthorization bills introduced on the House and Senate sides.

The Community and Migrant Health Centers have made a significant contribution to the health status of low-income families in a high quality and cost effective manner. Started 23 years ago, as a small demonstration

project of neighborhood health centers, the program has grown over the past 20 years into a network of 800 comprehensive primary care health centers, serving nearly 6 million underserved Americans in 50 States, Puerto Rico, and the District of Columbia. There are 120 community health centers in the six-State New England area that have been successful in reducing the rate of hospitalization by up to 50 percent in some cases, while also decreasing their average cost per medical encounter by 14 percent. These centers receive their primary funding under the Migrant and Community Health Centers Program, and also receive support from the National Health Service Corps, Black Lung Disease Program, Maternal and Child Health Block Grant Program, and Urban Indian Health Programs.

At a time when these centers are being asked to provide more services for many national needs, Federal support has diminished. Additional services are needed by pregnant women at high risk of delivering premature or low-birthweight babies, for individuals infected with the AIDS virus, and for a growing number of homeless individuals and families. In fiscal year 1987, community health centers received \$420 million in funding, but in fiscal year 1988, support was cut to \$395 million. In the decade of the 1980's, the number of families living in poverty or without health insurance has grown steadily and the number of elderly who cannot afford the high costs of medical care has increased. For millions of our most vulnerable citizens, migrant and community health centers are their only potential source of affordable health care. But despite an impressive track record of achievements, because of limited funding, Migrant and Community Health Centers still serve less than one-fourth of the country's 25 million medically underserved residents.

S. 2385 will provide an authorization of \$48.5 million for migrant health centers and \$440 million for community health centers in fiscal year 1989. Additional authorizations of \$1.5 million for migrant health centers and \$25 million for community health centers in fiscal year 1989 are provided for the provision of services for the reduction of the incidence of infant mortality.

Changes in current law contained in this bill address the problem of facilities construction and acquisition and administration of the community health center problem. Current law authorizes the Secretary to assist community and migrant health centers in developing medical care facilities that are appropriate for the type and volume of services to be offered by the centers. The Secretary is allowed to make grants for the acquisition or modernization of existing buildings. This

authority has proven to be inadequate because it does not provide for the expansion of existing buildings or for the construction of new buildings in those limited circumstances where there are no medical care facilities in the area to be served by the center—or the existing medical care facilities are not available for acquisition—and other existing buildings cannot be modified to serve as medical care facilities.

The bill, as amended, would provide new authority to the Secretary to make grants for the expansion of existing buildings and for the construction of new buildings in certain limited circumstances. The Secretary could make a grant for construction if the Secretary determines that (1) a particular center would not have appropriate medical care facilities by acquiring, modernizing, or expanding the existing buildings in the area in which the center needs to be located, and (2) the center has made reasonable efforts to raise the necessary construction funds from other public and private sources. It is expected that this new construction authority will be needed in few cases, but that in those cases it will be essential if health care services are to be provided.

The bill, as amended, contains a Senate provision requiring that grant and contract decisions be made by the central office of the Health Resources and Services Administration. This provision is intended to assure that final grant and contract decisions are made in the central office. The regional offices would continue to perform their current functions, except that they would make recommendations for final action to the central office of the Health Resources and Services Administration.

In conclusion, I wish to express my appreciation to Senator HATCH and the other members of the Committee on Labor and Human Resources and to the members of the Health and Environment Subcommittee and their staffs for their hard work on this legislation. S. 2385 continues Federal support for public health programs of proven effectiveness that are directed to needy populations. I urge quick and favorable consideration of this important legislation.

Mr. HATCH. Mr. President, I am pleased to join Senator KENNEDY in supporting S. 2385, the Community and Migrant Health Centers Amendments of 1988. This measure reauthorizes some of the most important programs in the Public Health Service for providing access to health care for our medically underserved. In addition to providing for significant increases in the authorization levels for community health centers, migrant health centers and other programs, this legislation makes several important changes to increase our efforts to combat

infant mortality and to improve access to health care in frontier areas.

Community Health Centers [CHC], Migrant Health Centers [MHC], along with the National Health Service Corps, are the principal Federal health service programs for medically underserved populations and medically underserved areas of the country. During fiscal year 1988, 540 CHC's will provide primary care services to approximately 5.25 million medically underserved persons; 117 MHC's will provide care to approximately 470,000 migrant and seasonal farmworkers and their families. Of those served by CHC's and MHC's, it is estimated that 60 percent are poor, 58 percent lack any form of health insurance, over one-third are children under the age of 14, and over one-third are women of child-bearing age.

Both the CHC and MHC programs make significant contributions in the fight to reduce infant mortality in the United States. Sadly, though, infant mortality continues to be a problem in this country, but it is one that can be prevented if we do a better job of coordinating services as well as providing prenatal and perinatal care to women. The good news is that the United States is first in the world in birth weight specific infant survival rates. Yet, at the same time, our Nation ranks 17th in the world in its overall infant mortality rate.

So how can we explain those two conflicting facts? First, we have the best health care system in the world. An infant born in a hospital in this country has a better chance of survival, whatever its birth weight, than it would if born anywhere else in the world. But, we also have too many babies born prematurely and at low birth weights. The simple fact is that a baby born at a low birth weight is not as likely to survive as one born at a normal weight. In fact, two-thirds of all infant mortality can be attributed to those infants born at low birth weight.

Fortunately, low birth weight is largely preventable by providing proper nutrition and prenatal care and, at the same time, decreasing alcohol abuse, drug use, tobacco use, and the number of teenage pregnancies.

The Community and Migrant Health Centers Amendments of 1988, S. 2385, addresses several of these issues. It establishes a new program to coordinate with other prevention efforts—prevention efforts which can reduce the number of low birth weight babies in this country.

It also provides increased funding for Community Health Centers and Migrant Health Centers which provide prenatal and perinatal care to women. This provision is similar to legislation introduced by Senators KENNEDY, QUAYLE, and myself which passed the Senate earlier in this Congress.

S. 2385 is especially important to my home State of Utah, where the rate of decrease in its infant mortality rate has slowed. The legislation specifically targets resources for those States which have suffered recent increases or which have infant mortality rates higher than the national average.

In addition, this bill recognizes that some areas of our country—frontier areas—have health care problems which are different from urban or rural areas. Frontier areas account for 45 percent of the total land mass of the United States. An estimated 3 million individuals, or 1 percent of the total population, reside in frontier areas, yet less than one-tenth of 1 percent of the total physicians service these areas.

This bill will increase the availability of health care provided through Community Health Centers for these areas of the United States which have fewer than six people per square mile, areas where many health needs are currently being left unaddressed. Again, this measure has particular significance to my home State of Utah where a large portion of the State qualifies as a frontier area.

It has been a pleasure to work with Senator KENNEDY and Senator QUAYLE on this legislation, and I look forward to its expeditious enactment. Infant mortality is a health problem that affects our entire Nation, but it is one problem for which the cure already exists.

It is my hope that S. 2385 will help us achieve an objective we all share—the health birth of babies who will be the next generation of Americans. In addition, by continuing our support for the community health centers and migrant health centers in this country, I hope we can continue to improve access to the medically underserved of our Nation.

I would like to make one technical point before we vote on this legislation. The provision on other operation funding includes Federal or non-Federal resources of a restricted or nonrestricted nature which are available to be expended for current operating expenses of the CHC's and MHC's. My understanding is that this legislation in its current form is now acceptable to both the House and the administration. I urge my colleagues to support this important health legislation.

Mr. BYRD. Mr. President, I move that the Senate concur in the House amendment with the amendment I have sent to the desk.

The motion was agreed to.

S. 2631 PLACED IN SUBJECTS ON THE TABLE

Mr. BYRD. Mr. President, I ask unanimous consent that S. 2631, the Senate drought relief bill, be placed in

the Subjects on the Table section on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY

ORDER FOR ADJOURNMENT UNTIL NOON ON MONDAY, AUGUST 1, 1988

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that following the two leaders under the standing order on Monday next there be a period for morning business to extend to the hour of 12:30 p.m., that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NO MOTIONS OR RESOLUTIONS OVER, UNDER THE RULE, TO COME OVER ON MONDAY; NEXT WAIVE CALL OF THE CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that no motions or resolutions over, under the rule, come over on Monday, and the call of the calendar be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, does the able Republican leader have any further business he would like to transact or any further statements he would like to make?

Mr. DOLE. Only to congratulate the majority leader. I think, if we look back on this week, three appropriations bills, endangered species and child nutrition and the drought legislation, which is very important—it has been an exceptional week and I congratulate the majority leader.

Mr. BYRD. Mr. President, I congratulate the distinguished Republican leader likewise. He shares the responsibility for advancing the program here. He carries his responsibility fully and I could not do this without the cooperation and full support of the Republican leader and I have had that cooperation and full support and I thank him.

On behalf of the Senate I think I would say, on behalf of the administration, that the White House is fortunate to have a leader like ROBERT DOLE. I find it enjoyable to work with him.

ADJOURNMENT UNTIL MONDAY, AUGUST 1, 1988

Mr. BYRD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the order previously en-

tered, that the Senate stand in adjournment until the hour of 12 noon on Monday.

The motion was agreed to, and at 5 p.m., the Senate adjourned until 12 noon, Monday, August 1, 1988.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 29, 1988:

DEPARTMENT OF STATE

TIMOTHY LATHROP TOWELL, OF OHIO, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS ONE, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PARAGUAY.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TIMOTHY L. COYLE, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

JACK R. STOKVIS, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

EXPORT-IMPORT BANK OF THE UNITED STATES

RICHARD C. HOUSEWORTH, OF ARIZONA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM OF 4 YEARS EXPIRING JANUARY 20, 1991.

THE JUDICIARY

JOHN O. COLVIN, OF VIRGINIA, TO BE A JUDGE OF THE U.S. TAX COURT FOR A TERM EXPIRING 15 YEARS AFTER HE TAKES OFFICE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

Mr. BYRD. Mr. President, I am pleased to announce that the Senate has confirmed the following executive nominations:

Timothy L. Coyle, of California, to be an Assistant Secretary of Housing and Urban Development; and Jack R. Stokvis, of New York, to be an Assistant Secretary of Housing and Urban Development.

Timothy L. Coyle is currently the Deputy Assistant Secretary for Policy and Planning in the Office of the Assistant Secretary for Policy and Planning, U.S. Department of Housing and Urban Development.

Jack R. Stokvis is currently the Deputy Assistant Secretary for Policy and Planning in the Office of the Assistant Secretary for Policy and Planning, U.S. Department of Housing and Urban Development.

Mr. BYRD. Mr. President, I am pleased to announce that the Senate has confirmed the following executive nomination:

Richard C. Houseworth, of Arizona, to be a member of the Board of Directors of the Export-Import Bank of the United States for a term of 4 years expiring January 20, 1991.

Mr. BYRD. Mr. President, I am pleased to announce that the Senate has confirmed the following executive nomination:

John O. Colvin, of Virginia, to be a judge of the U.S. Tax Court for a term expiring 15 years after he takes office.

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